

QUARTERLY REPORT

PERIOD ENDING 30 SEPTEMBER 2020

OPERATIONAL UPDATE

During the quarter the Company announced a binding Sale and Purchase Agreement with Matakanui Gold Ltd (**MGL**) shareholders to purchase 100% of MGL's issued share.

MGL is a privately owned New Zealand company which currently holds 100% of Mineral Exploration Permit 60311 (EP60311) located in Central Otago New Zealand, hereafter referred to as the Bendigo-Ophir Gold Project (**Bendigo-Ophir, Project or Project Area**).

Bendigo-Ophir Project Overview

Bendigo-Ophir covers 251 square kilometres (**Project Area**) in the Central Otago goldfields, 90 kilometres northwest of Oceana Gold's world-class Macraes Gold Mine where previous production and Mineral Resource total in excess of 8 million ounces gold. (Figure 1 and Figure 2).

The Project Area displays the hall marks of a major gold field in a region with a compelling Mineral Resource endowment. The Project Area covers the richest historical hard rock mines and some of the richest alluvial workings in the Otago Goldfields. The area is considered highly prospective for large low-grade orogenic gold deposits, with analogies to Macraes in the south-east (Figure 1). In addition, there is potential for high-grade vein complexes similar to the historical Bendigo Reefs in the north western part of the Project Area, where previous production recorded 177,000 oz Au at grades of 30g/t to 180g/t in the late 1800s.

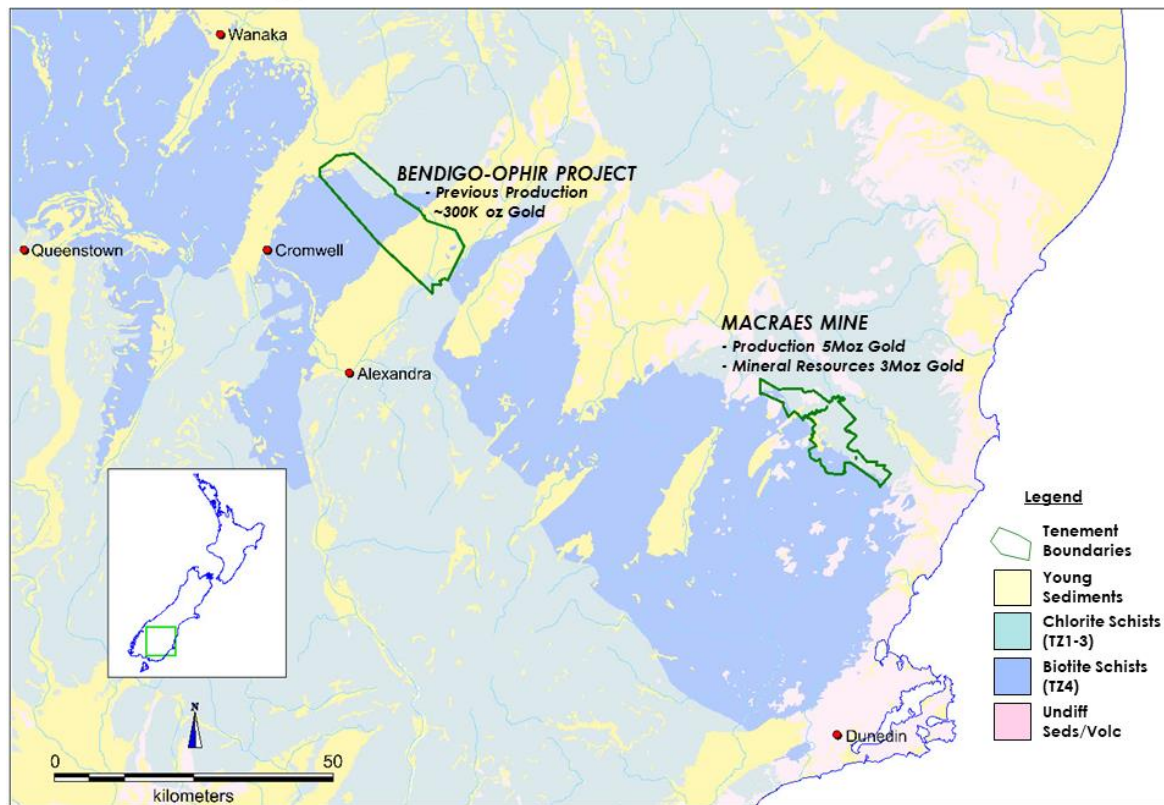


Figure 1: The Bendigo-Ophir Gold Project located in the Otago Goldfields ~90km north-west of the Macraes Gold Mine



Figure 2: Bendigo-Ophir Gold Project, Otago Goldfields New Zealand

Prior to 1990, over 300,000 oz Au are estimated to have been extracted from within the Project Area dwarfing that of the 15,000 oz Au mined at Macraes at the time. Production and Mineral Resources from the latter now total +8M Au oz.

A Mineral Resource estimate (reported in accordance with the guidelines of the JORC 2012 Code) was completed for the Project in 2019, which centred on the three main zones of mineralisation: Shreks, Come In Time, and Rise And Shine (Figure 1). A summary of this estimate is shown in Table 1 below:

Table 1: Global Mineral Resource Estimate (February 2019), shows the Inferred Mineral Resource both on an uncut basis (no Au top-cut grade applied) and utilising a top-cut grade (Au g/t Cut). All figures use a 0.25g/t Au lower cut-off grade and have been rounded for reporting purposes.

Deposit	Class	Ox Zone	Tonnes	Au g/t Uncut	Au g/t Cut	Contained Oz Au Uncut	Cut
Shreks	Inferred	Oxide	810,000	0.6	0.6	16,000	15,000
		Transitional	130,000	0.6	0.6	2,000	2,000
		Fresh	6,830,000	0.8	0.6	173,000	132,000
		Total	7,770,000	0.8	0.6	191,000	149,000

Deposit	Class	Ox Zone	Tonnes	Au_ppm Uncut	Au_ppm Cut	Contained Oz Au Uncut	Cut ppm
Come In Time	Inferred	Oxide	610,000	0.7	0.7	14,000	14,000
		Transitional	350,000	0.6	0.5	6,000	6,000
		Fresh	1,010,000	0.7	0.6	23,000	20,000
		Total	1,970,000	0.7	0.6	43,000	40,000

Deposit	Class	Ox Zone	Tonnes	Au_ppm Uncut	Au_ppm Cut	Contained Oz Au Uncut	Cut ppm
Rise And Shine	Inferred	Oxide	20,000	1.9	1.2	1,000	1,000
		Transitional	50,000	1.4	1.0	2,000	2,000
		Fresh	380,000	1.2	0.9	15,000	10,000
		Total	450,000	1.2	0.9	18,000	13,000

GRAND TOTAL			10,190,000	0.8	0.6	252,000	202,000
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Commenting on the acquisition of the Bendigo-Ophir Gold Project, Santana Minerals' CEO Shane Pike said:

"We are extremely excited to have acquired such a highly prospective gold project in this current environment. Its prime location within the Otago Goldfields and its many analogies to the nearby Macraes Gold Mine makes Bendigo-Ophir an outstanding exploration prospect. With several drill ready targets already identified, the Company looks forward to promptly embarking on a drill campaign and delivering on the enormous potential of the project. In addition to the rapid advancement of Bendigo-Ophir the Company plans to concurrently undertake a strategic review of its existing portfolio of exploration projects with an objective of maximising value for our shareholders."

Future Resource Extensions

Santana expects Shreks, Come In Time, and Rise And Shine Mineral Resource estimates could be materially increased with immediate shallow extensional drilling, following the shallow plunging RSSZ structural feature, shown in Figure 3.

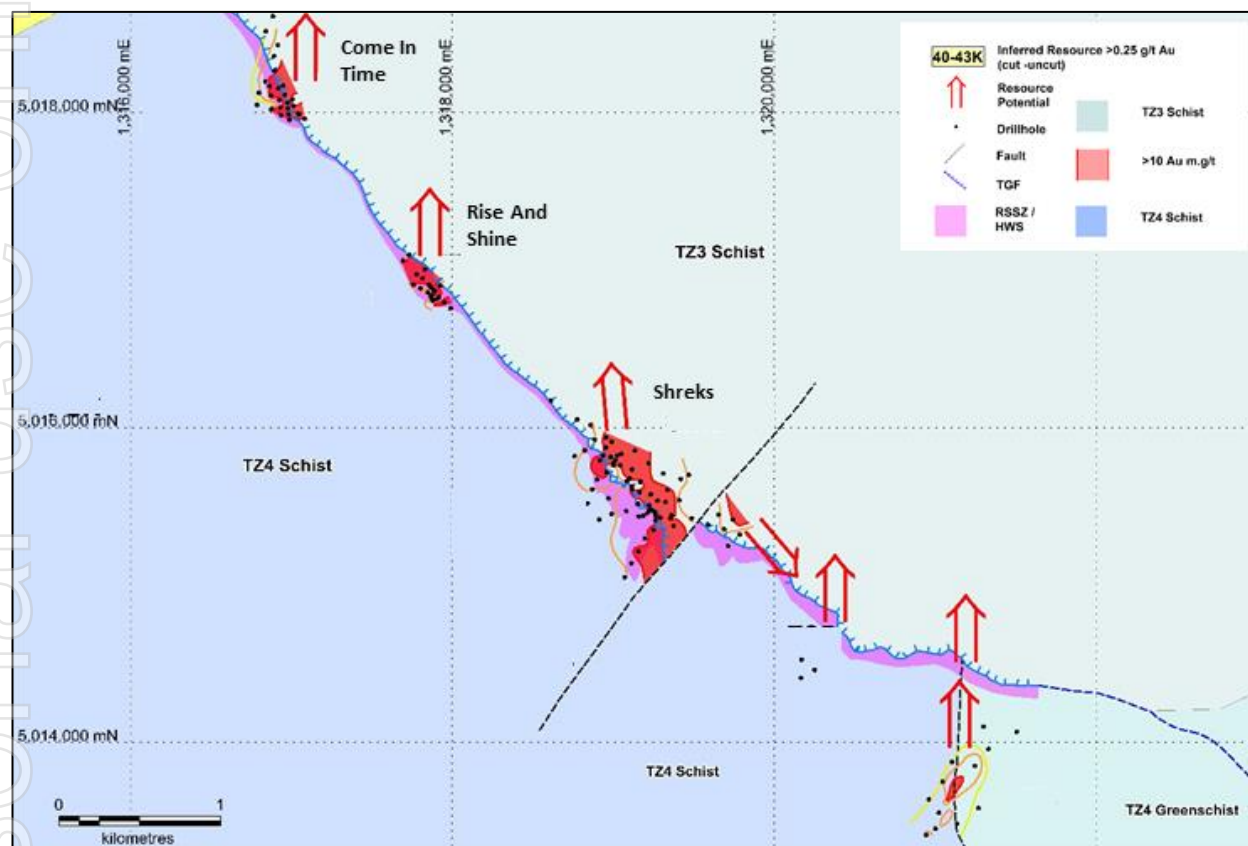


Figure 3: Potential Mineral Resource extensions with further drilling tracing the shallow plunging Rise And Shine Shear Zone (RSSZ)

Exploration Potential

Much of the extensive land package to be acquired is under-explored by modern exploration techniques. As such, the Company sees the Project Area as having significant exploration upside and the potential to materially add to the existing Mineral Resource estimate by testing several undrilled exploration targets identified within the Project Area (Figure 4). These undrilled targets leverage off previous geochemical sampling programs (including soil sampling and portable XRF data collection) that have highlighted a strong relationship between arsenic anomalism and gold mineralisation. (Figure 5).

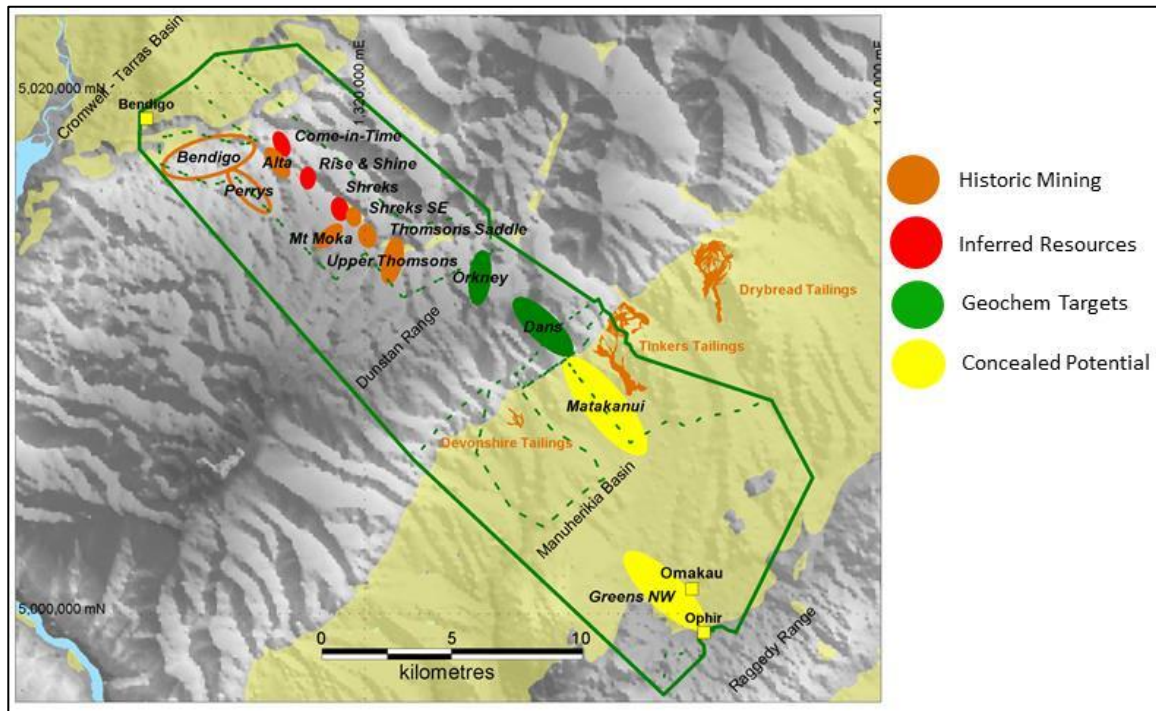


Figure 4: The 251km² concession area showing the Bendigo Reefs, Rise And Shine Shear Zones and alluvial gold enrichment, which combined previously produced 300koz Au at grades of between 30g/t to 180g/t.

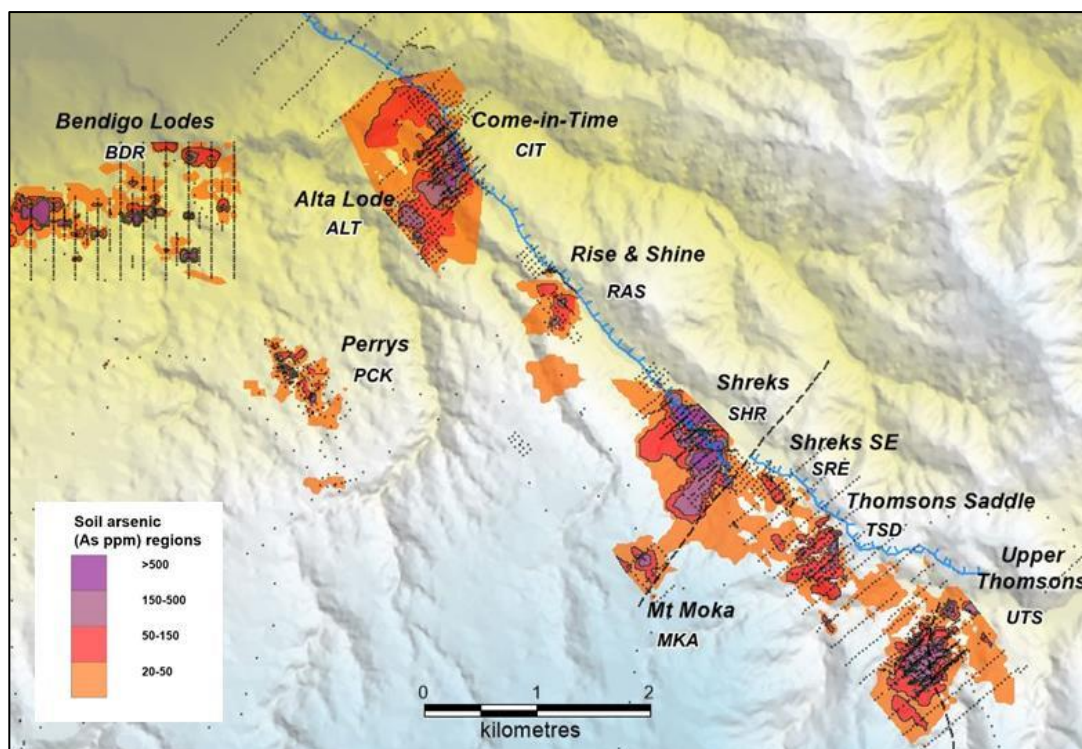


Figure 5: Geochemical sampling defines arsenic-gold anomalism over mineralised prospects.

One of these targets include Shreks SE, where limited wide-spaced drilling returned anomalous results located outside the existing Mineral Resource and is a high priority drill target. Other geochemical targets Orkney, Dans, and Matakanui (which is under cover) which display anomalous arsenic results (Figure 6), warrant further exploration.

On completion of the Acquisition (scheduled for 2 November 2020), Santana plans to aggressively explore several of the abovementioned prospects within the Project Area. Given the Company interprets that the Bendigo-Ophir Project shares geological and structural similarities to the 8 Moz Au Macraes Mine 90 Kilometres to the south-east and along strike, the Company believes the Project represents a compelling opportunity.

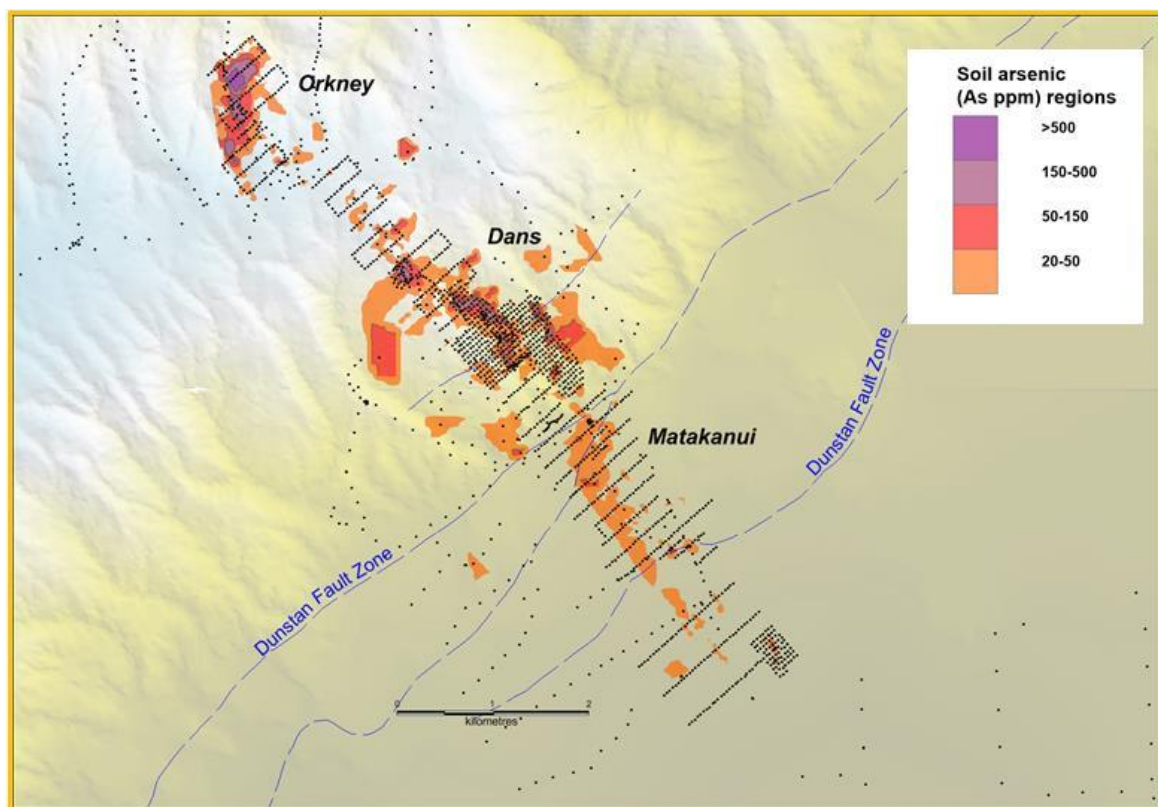


Figure 6: Arsenic anomalism of the Orkney, Dans, and Matakanui Prospects.

Exploration Work Completed by MGL

Since acquiring Bendigo-Ophir in 2014, MGL completing the following exploration activities and initiatives to advance the Project, which included:

- Secured necessary mining and exploration access arrangements;
- Compiled historical mining and 30 years of exploration data;
- Conducted extensive arsenic soil geochemical surveys by hand-held XRF;
- Conducted channel, rock chip and drill sample BLEB geochemistry;
- Completed 3640m of RC drilling across 63 holes to complete an Inferred Mineral Resource estimate, reported in accordance with the JORC 2012 Code guidelines, of approximately 252,000 oz Au (uncut); and

- Preliminary metallurgical test work where Column test work on oxide mineralisation (Come In Time and Shrek Prospects) and transitional mineralisation (Shreks) found preliminary heap leach gold recovery results of 73% (transitional) up to 94% (oxide – Come In Time). Further, Leachwell (Bleg) analysis on fresh and gold mineralised RC chip samples crushed to minus 6mm returned gold recovery results between 84 -85%.

MGL Transaction

In consideration for purchasing all of the issued share capital in MGL, Santana will issue MGL Shareholders a total of 38,189,017 Shares (**Consideration Shares**) post a 1:70 Consolidation (**Share Consideration**) to be allocated in accordance with their (pro-rata) holding in MGL immediately prior to completion of the acquisition, and subject to shareholder approval.

Settlement of the acquisition and completion of a capital raising of \$7.5m at \$0.20 per share (**Capital Raising**) are scheduled for completion on 2 November 2020.

The Company anticipates that, on completion of the Capital Raising, Share Consolidation and the issue of Consideration Shares, the Company's capital structure will be as follows:

	Current (pre-Consolidation)	Current (post Consolidation)	Consideration	Capital Raising	Total
Shares	2,683,945,564	38,342,079	38,189,017	37,500,000	114,031,096
Options	145,862,352	2,083,748	-	3,420,930	5,504,678

Upon completion of the acquisition, the Company will appoint Mr Warren Batt and Mr Frederick Bunting (Kim Bunting) as non-executive directors.

Mr Batt, (MSc (Hons), MAusIMM) is a highly experienced geologist and mining professional with over 50 years of experience in the Australian mining and exploration industry including senior roles in management and well as directorships of former ASX-listed Perilya Limited and Redfire Resources Limited (subsequently CBH Resources Limited). Mr Batt has been a director and co-founder of MGL since 2014.

Mr Bunting is a geologist with 48 years of exploration experience, graduating with BSc (Hons) from Auckland University NZ in 1971 and with MSc (distinction) from Rhodes University South Africa in 1977. From graduation up until 2005 Mr Bunting held various roles including with Anglo American Corp for over a decade in South Africa and New Zealand. Mr Bunting subsequently spent considerable time exploring the West Coast and Otago Provinces of New Zealand, Indonesia and Malaysia. On return to New Zealand in 2005, Mr Bunting researched the Otago Goldfields which led to his company Depot Corporation acquiring prospecting permits over the Dunstan Range from 2011. Fieldwork identified new orogenic gold extensions outside the historical Bendigo goldfield and known Rise & Shine Shear Zone (RSSZ).

CORPORATE

The Company is continuing to assess options for continued exploration on its highly prospective Phu Lon Nickel and Nakhan Gold Prospects in Laos. In addition, the Company has commenced a strategic review of its Cuitaboca Silver Project in Mexico and Becker Gold Project in Chile aimed to take advantage of current precious metals prices.

APPENDIX 5B DISCLOSURES

The Company's accompanying Appendix 5B (Quarterly Cashflow Report) includes an amount in item 6.1 which constitutes non-executive directors' fees paid during the quarter.

During the period, the Company spent \$314k on exploration activities in Laos, \$36k on exploration activities in Chile and \$99k on exploration activities in Mexico.

The announcement has been authorised for release to the ASX by the Board.

For further information, please contact:

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Previous Disclosure - 2012 JORC Code

Information relating to Mineral Resources, Exploration Targets and Exploration Data associated with the Company's projects in this announcement is extracted from the following ASX Announcements:

- ASX announcement titled "Acquisition of Bendigo-Ophir Gold Project, New Zealand" dated 14th September 2020.

A copy of such announcement is available to view on the Santana Minerals Limited website www.santanaminerals.com. The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Additional ASX Listing Rule Information

Santana Minerals Limited ('Santana') provides the following additional information in accordance with ASX Listing Rule 5.3.3.

Mining tenements held at the end of the quarter and their location

Name	Status	Interest Held
Laos		
Sayabouly	Granted	75%*
Cambodia		
Phnom Khtung	Granted	85%#
Snoul	Granted	85%#

* The consolidated entity currently holds a 75% interest in the project, with joint venture parties of the other 25% free carried to completion of a feasibility study.

The consolidated entity currently holds an 85% interest in the project (diluting to not less than 12.75% assuming the consolidated entity does not exercise contribution rights) and is free carried to completion of feasibility study.

Mining tenements acquired during the quarter and their location

Not applicable.

Mining tenements disposed of during the quarter and their location

Not applicable.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

Cuitaboca Project

The consolidated entity completed a transaction which allows it to earn an initial 80% interest in the Cuitaboca Project. The consolidated entity is earning, but has yet to earn, its initial interest. The Concession Option Agreement was amended during the quarter, extending the term to 15 years from the original signature date (refer to the agreement announcement of 29 July 2014), with the agreement now expiring 10th December 2026.

Becker Project

The consolidated entity has completed a transaction which allows it to earn an initial interest of 85% of the central Becker tenements (2,000ha), and 80% of the surrounding licences (6,000ha). The consolidated entity is earning, but has yet to earn, its initial interest. Further details are by reference to the announcement of 17 May 2018.

Cambodian Project

The consolidated entity's subsidiary (Subsidiary) is party to an unincorporated joint venture agreement with Southern Gold Limited (SGL) in respect of the Cambodian Exploration Licences, pursuant to which SGL has a 15% unincorporated joint venture interest in the Cambodian Exploration Licences, which is free carried until completion of a feasibility study.

The consolidated entity's subsidiary has also entered into a farm-out and incorporated joint venture agreement with Renaissance Cambodia Pty Ltd (Renaissance) (Farm-Out Agreement), pursuant to which Renaissance will sole fund US\$0.5 million of exploration expenditure on each of the Cambodian Exploration Licences to earn a 30% shareholding in the Subsidiary. Renaissance can elect to sole fund a further US\$1.0 million of exploration expenditure on each of the two Cambodian Exploration Licences over the following two years, to increase its shareholding in the Subsidiary to 60%. Upon Renaissance earning a 60% shareholding in the Subsidiary, the consolidated entity may elect to either contribute to maintain its shareholding in the Subsidiary of 40% or not to contribute, in which case Renaissance may earn a further 25% shareholding in the Subsidiary, by managing the Subsidiary and providing funding to complete a definitive feasibility study, during which period the consolidated entity will be free carried.

Renaissance is earning, but has yet to earn, an interest in the Subsidiary.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

Appendix 5B

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

Name of entity

SANTANA MINERALS LIMITED

ABN

37 161 946 989

Quarter ended ("current quarter")

30 SEPTEMBER 2020

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 (if expensed)	(70)	(70)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(76)	(76)
	(e) administration and corporate costs	(75)	(75)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Tax Refunds, IVA Mexico)	-	-
1.9	Net cash from / (used in) operating activities	(221)	(221)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(379)	(379)
	(e) investments	-	-
	(f) other non-current assets	-	-
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 (Concession Renewal Fees)	-	-
2.5	Other (Transaction Costs)	(11)	(11)
2.6	Net cash from / (used in) investing activities	(390)	(390)

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	-	-

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.	Net increase / (decrease) in cash and cash equivalents for the period	(611)	(611)
4.1	Cash and cash equivalents at beginning of period	831	831
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(221)	(221)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(390)	(390)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	220	220

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	66	118
5.2	Call deposits	154	713
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)	220	831

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

34

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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

6.1 Non-Executive Director Fees

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.</i>		
<i>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.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(221)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(379)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(600)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	220
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	220
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.37

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- 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:

The Company does not expect to continue at the same level of operating cash outflows as reported in this quarterly report. As announced on 14 September 2020, the Company has executed a share purchase agreement for the acquisition of the Bendigo-Ophir gold project in New Zealand. Subject to completion of the transaction, which is conditional on a \$7.5m capital raising (amongst other things), the Company anticipates that ongoing exploration expenditure and therefore cash outflows will be materially different to those reported in this quarterly report.

- 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:

The Company has taken formal steps to raise further cash to fund its operations. As announced on 14 September 2020, the Company has mandated Bell Potter to lead manage a \$7.5m capital raising which is a condition to completion of the acquisition of the Bendigo-Ophir gold project. The Company has announced that it anticipated completing the acquisition and capital raising on 2 November 2020.

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:

The Company expects that it will be able to continue its operations and to meet its business objectives based on the Company's intention to seek additional equity funding as outlined in item 2 above.

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: 29 October 2020

Authorised by: By the Board of Directors
(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.