



**TO: COMPANY ANNOUNCEMENTS OFFICE  
ASX LIMITED**

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**DATE: 31 OCTOBER 2018**

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## **QUARTERLY ACTIVITIES REPORT – 30 SEPTEMBER 2018**

### **Highlights for the September 2018 Quarter**

- **Maiden gypsum resource on the 100% owned Pyramid Lake project adjacent to prime wheat belt country in southwestern WA**
- **Maiden Indicated resource of 1.3 Mt at 78 % Gypsum, including Grade 1 and Premium gypsum within the central resource area, plus an Inferred resource contains 2.6 Mt at 67% gypsum, meeting Grade 2 agricultural requirements (refer ASX Announcement 28 August 2018)**
- **Native Title Mining Agreement (NTMA) for Exploration, between Cohiba Minerals (as agent for Olympic Domain under Joint Venture Agreement) and Kokatha Aboriginal Corporation well underway**
- **Field sampling program design completed with teams (Euro Exploration Services P/L) ready to mobilise to Horse Well and Pernatty project areas as priority targets**
- **Additional historical geochemical data confirms anomalous copper / lead target zone within the Peninsular project area**
- **New aeromagnetic data for the area indicates a low order vertical gradient aeromagnetic anomaly coincident with the geochemical target zone.**
- **Sampling for rock-chips and soils to commence immediately to confirm existing results and further define the geochemical zone.**

**Cash at the end of the quarter was approximately \$1.3 million.** The net cash outflows for the quarter was approximately \$0.56 million.

Cohiba Minerals Limited ('Cohiba' or 'the Company') provides below an update in relation to the corporate and exploration activities carried out during the quarter.

**ASX CODE: CHK**

### **DIRECTORS**

**Mr Mordechai Benedikt (Chairman)**  
**Mr Bob Beeson (Director)**  
**Mr Nachum Labkowski (Director)**

### **REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

**Level 4**  
**100 Albert Road**  
**South Melbourne, Victoria 3205**

### **CONTACT**

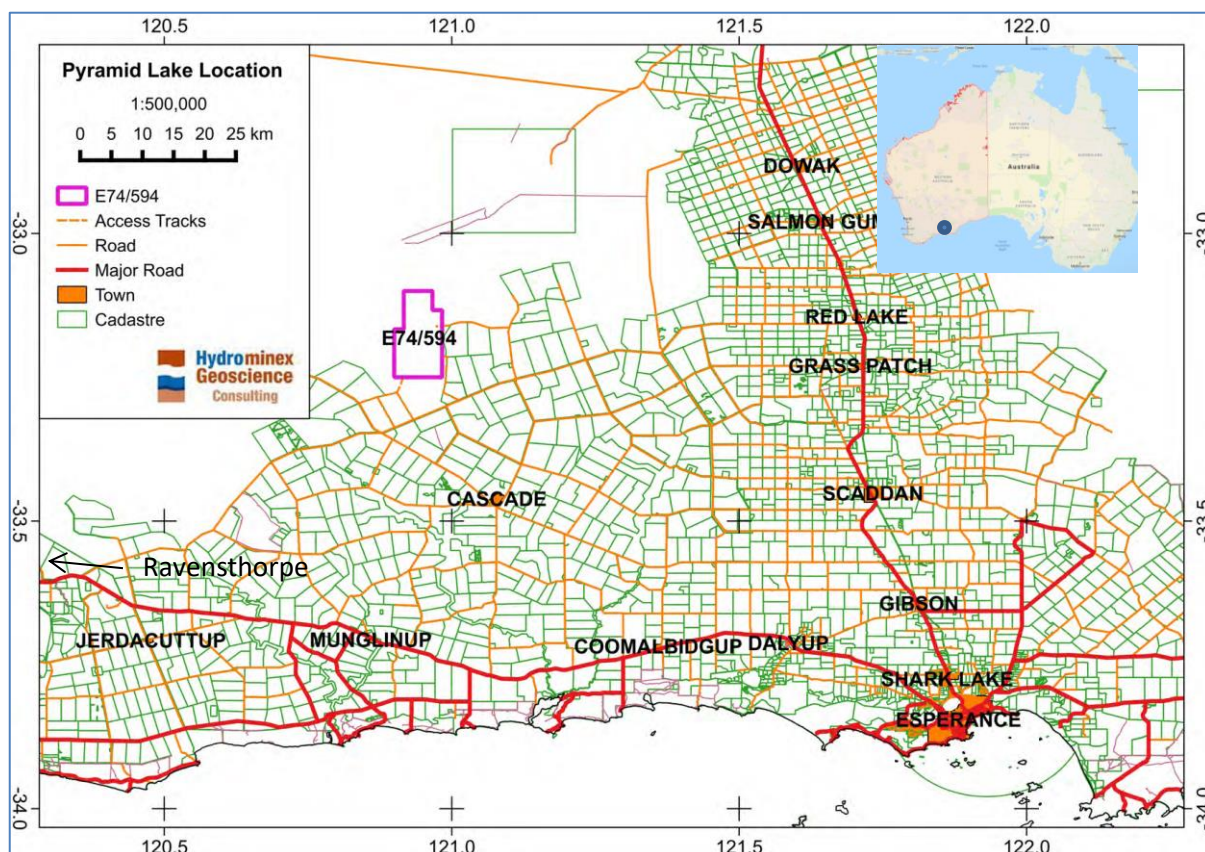
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## **Pyramid Lake Update (E74/594)**

The E74/594 property (Figure 1) is located 115 km northwest of Esperance (150 km by road) and is accessed from the highway linking Ravensthorpe and Esperance.

Systematic grid sampling of gypsum material was undertaken to assess the extent and quality of gypsum in a large north-south oriented dune, immediately west of a series of lakes where gypsum is considered to be deposited from evaporation of groundwater. Gypsum is wind-blown to form the north-south dune system and consequently has a low level of impurities.



**Figure 1: Pyramid Lake project location, northwest of Esperance, southwestern WA**

Following the definition of a maiden resource at its Pyramid Lake gypsum project in SW Western Australia, the Company engaged the services of Mineral Strategies Pty Ltd to undertake a scoping study in relation to the market opportunities.

The scoping study will increase understanding of the gypsum markets and provide definition in relation to the commercialisation of this significant resource.

## **Wee Macgregor project Update**

During the period, the Company commenced drilling at the Wee MacGregor copper, cobalt and gold project in the Mount Isa district of north west Queensland (the subject of a farm in agreement between Cobalt X and Mining International, refer announcement dated 6 April 2017).

The Company began with drilling in the area known as Great Central located directly south of the main mineralised Wee MacGregor ore body targeting identification of the extent of surface mineralisation evident in the area, refer Figure 2. Figures 3 and 4 show the drill rig in operation and provide an idea of the local terrain. Initial results showed a promising intercept of mineralisation between 6 and 12m down hole demonstrating the mineralisation continues at depth. Follow up drilling is yet to be completed in the area but these initial results will allow a more targeted approach than initially planned. As no mineralisation



from the Great Central area has been defined or included in resource estimations in the past, anything discovered below surface will be a potential new addition to the overall resource for the area. Drilling will be continuing into the December quarter.

Some progress was made in the Wee MacGregor historic resource area with initial results confirming the presence of accessory gold and cobalt present within the mineralised body along with copper. Results have been encouraging and indicate the potential to substantially increase the value of the deposit when based on copper values alone (assuming current commodity prices).

Drilling progress has been slow due to equipment breakdown, parts availability and difficult ground conditions however it is continuing into the December quarter.



Figure 2. Plan of proposed drill holes





Figure 3. Drill rig in operation



Figure 4. Example of terrain



## Olympic Domain JV Update

During the period the Company continued to work finalising its NTMA for Exploration with the Kokatha Aboriginal Corporation with the intent of mobilising exploration teams to its current priority targets at Horse well and Pernatty.

Cohiba's technical review has confirmed the prospectivity of the project sites for Iron Oxide Copper Gold (IOCG) targets as well as sediment-hosted copper-cobalt-silver mineralisation, comparable to the Mt. Gunson / Cattlegrid mines and the field program will focus heavily on further definition of these targets.

Results of recent geochemical sampling programmes at Peninsular and Pernatty projects (Figure 6) have confirmed anomalous responses in the target areas for both projects. Despite widespread dune sands and variable regolith profiles, the reconnaissance sampling defined areas of enhanced geochemical response worthy of further evaluation.

### Peninsular Project

Further interrogation of historical exploration reports for EL6121, on the western shore of Lake Torrens and approximately 50 kms east of Olympic Dam (Figure 5), has uncovered further surface geochemical sampling confirming the "Peninsular" anomalous copper -lead target area.

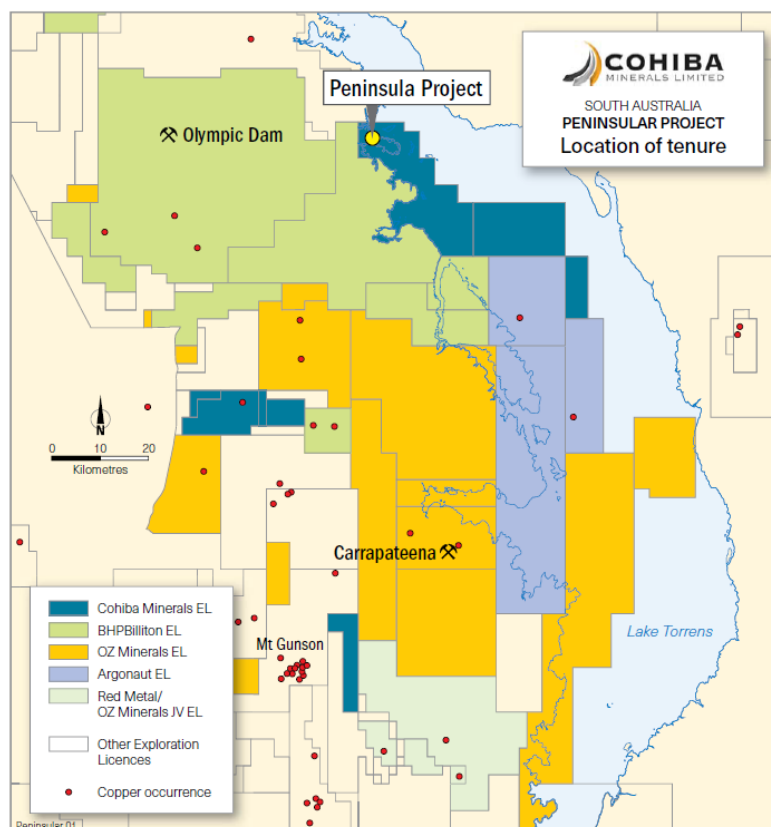


Figure 5. Locations for Cohiba Olympic Domain EIs and major tenement holders.

As described in CHK ASX of May 8, 2018 historical geochemical sampling within the Peninsular area as reported on SA Mines Dept SARIG site outlined four reconnaissance samples with elevated copper and/or lead geochemical levels. Interrogation of historical reporting has identified a further 5 sampling sites within the area from a program conducted by "MinesEx Pty Ltd" (SA Mines Envelope No.02358). A total of 19 composite rock chip results are reported from these sites, with average copper and lead assay levels as shown in Figure 6. (Note that location information and details for assay methods and reliability for these samples is not included in reporting from that time).



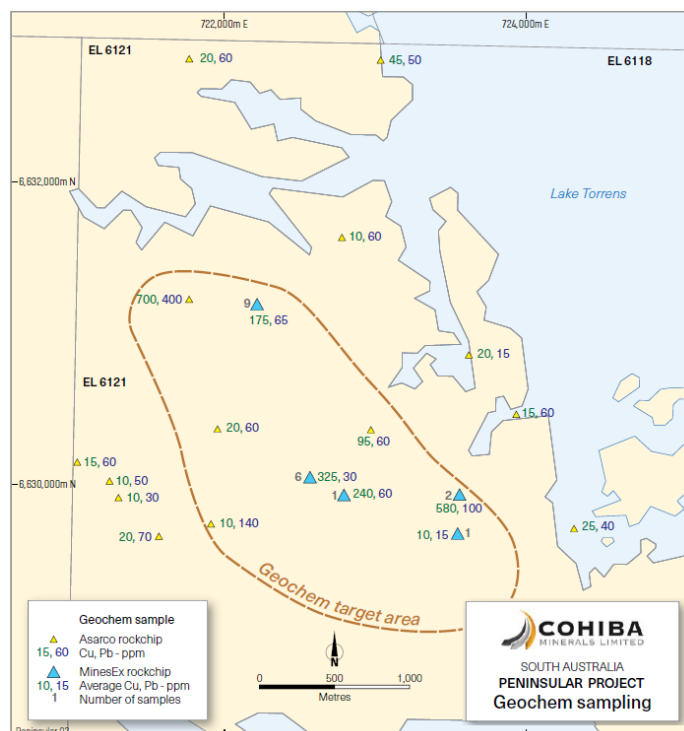


Figure 6. Locations for additional rockchip samples acquired by “MinesEx Pty Ltd” within the Peninsula target area

The Peninsular project area is also included within recently released airborne magnetic and radiometric data for the SA Mines Department detailed Gawler Craton survey. Vertical gradient processing of aeromagnetic data for the Peninsular area has highlighted a local magnetic anomaly coincident with the central portion of the geochemical target area – Figure 7.

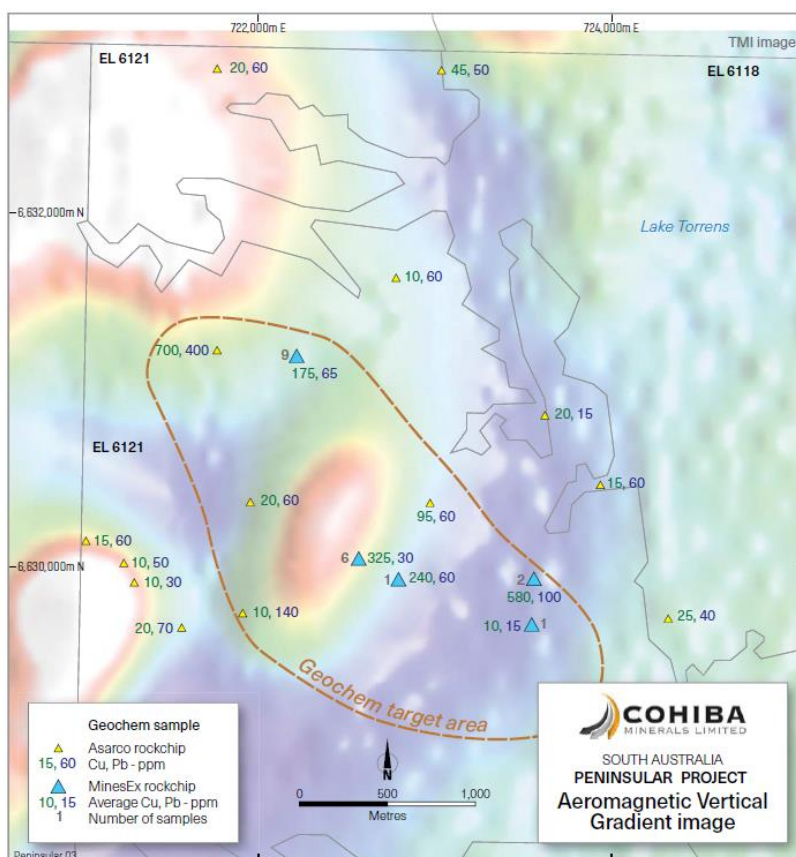


Figure 7. Vertical gradient image of new aeromagnetic data outlining anomaly coincident with the Peninsular geochemical target.



This broad (approx. 4 km<sup>2</sup>) anomalous zone will be targeted in the next round of field work via a program of systematic soil and rock-chip sampling to provide further definition for future drilling.

### **Queensland exploration licences**

The Company holds various exploration licences through its wholly owned subsidiary Cobalt X Pty Ltd. As at the date of this report the Company is the holder of the following mineral exploration licences pursuant to the Mineral Resources Act 1989 (QLD):

- exploration licence EPM26377 (**Mt Gordon Mine Area 1**);
- exploration licence EPM26376 (**Mt Gordon Mine Area 2**);
- exploration licence EPM26380 (**Success Mine Area 1**); and
- exploration licence EPM26379 (**Mt Cobalt Mine Area**).

Cobalt X also held various contractual rights with third parties to facilitate the acquisition by it of additional mining and exploration projects and related plant and equipment (**Project Rights**) including rights to negotiate for the acquisition of a vat leech processing plant in the Mt. Isa region (referred to as the Lady Jenny processing plant<sup>1</sup>). The nature and status of these Project Rights is described in detail in the Company's Notice of General Meeting (Notice) dated 26 May 2017.

The Company has been granted a waiver from ASX, as announced on 26 May 2017, in relation to the issue of deferred consideration for the acquisition of Cobalt Pty Ltd. As at the date of this report, there have not been any shares issued pursuant to this ASX waiver.

### **Charge Lithium Tenements**

#### **Pilgangoora Central Lithium Project**

This area consists of Exploration tenements E45/4767, E45/4768 and E45/4769. No work was carried out on the tenements during the quarter and the company commenced a process to surrender these licences.

### **Interests in Mining Tenements**

Below is a summary of the mining tenements held by the Company at the end of the quarter:

<b>Mining Tenement</b>	<b>Location</b>	<b>Beneficial Percentage held</b>	<b>Interest acquired/farm-in or disposed/farm-out during the quarter</b>
E74/594	Western Australia	100%	-
E74/4767	Western Australia	100%	Surrendered during the quarter
E74/4768	Western Australia	100%	Surrendered during the quarter
E74/4769	Western Australia	100%	Surrendered during the quarter
EPM 26379	Queensland	100%	-
EPM26376	Queensland	100%	-
EPM26377	Queensland	100%	-
EPM26378	Queensland	100%	-
EL 6118	South Australia	-	*Right to earn up to 80% - farm-in agreement
EL 6119	South Australia	-	*Right to earn up to 80% - farm-in agreement
EL 6120	South Australia	-	*Right to earn up to 80% - farm-in agreement

<sup>1</sup> This acquisition may not occur. Negotiations have halted and the company will look to re-open communications with the vendors.



EL 6121	South Australia	-	*Right to earn up to 80% - farm-in agreement
EL 6122	South Australia	-	*Right to earn up to 80% - farm-in agreement
EL 6183	South Australia		*Right to earn up to 80% - farm-in agreement
EL 5970	South Australia	-	*Right to earn up to 80% - farm-in agreement

**For further information, please contact:**

**Mordechai Benedikt**  
**Executive Chairman**



## 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

COHIBA MINERALS LIMITED

### ABN

72 149 026 308

### Quarter ended ("current quarter")

30 SEPTEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(320)	(320)
(b) development	-	-
(c) production	-	-
(d) staff costs	(73)	(73)
(e) administration and corporate costs	(171)	(171)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(560)</b>	<b>(560)</b>

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



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</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 (Proceeds from issue of facilitation Option)	-	-
<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	1,898	1,898
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(560)	(560)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,338</b>	<b>1,338</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	338	1,898
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Short term deposits	1,000	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,338</b>	<b>1,898</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter  
\$A'000**

73

-

Payments to Directors and their related entities during the September 2018 quarter relates to Director's fees.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter  
\$A'000**

-

-

-

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

**Total facility amount  
at quarter end  
\$A'000**

**Amount drawn at  
quarter end  
\$A'000**

-

-

-

-

-

-

- 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.

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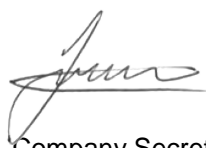
<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	250
9.2 Development	-
9.3 Production	-
9.4 Staff costs	70
9.5 Administration and corporate costs	170
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>490</b>

<b>10. 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	E74/4767 E74/4768 E74/4769	Exploration Licence Exploration Licence Exploration Licence	100% 100% 100%	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

### 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.

Sign here:



Company Secretary

Date: 31 October 2018

Print name:

JUSTIN MOUCHACCA



**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.