



**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 31 JULY 2019

QUARTERLY ACTIVITIES REPORT – 30 JUNE 2019

Highlights for the June 2019 Quarter

- **Gravity survey results on the Andamooka-Peninsula (Lake Torrens) project provide evidence of possible exploration targets**
- **Further results from the detailed magnetotelluric (MT) survey over the Horse Well area delineate an additional possible “feeder” zone**
- **Appointment of Non-Executive Chairman, Avi Kimelman**

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

Olympic Domain Farm-in Agreement

During the period the Company announced that gravity surveys conducted over the Andamooka-Peninsula (Lake Torrens) Project area showed evidence of five possible targets of which three were coincident with magnetic anomalies and two were gravity-only targets at higher amplitudes (Figure 1).

An historic drill hole (DDH-RED2) conducted by Western Mining Corporation (WMC) on the western margin of the Andamooka-Peninsula Project area showed encouraging results in terms of alternation styles consistent with IOCG environments.

The Company also announced that the detailed MT survey has been completed over the Horse Well area. This survey initially identified a strong MT feature in the west of the area, and has also identified an additional “feeder” zone in the eastern part of the area five kilometres northwest of the BHP Oak Dam West discovery (Figures 2A & 2B; Figure 3).

This additional “feeder” zone is coincident with a moderate amplitude magnetic anomaly which was identified from previous regional magnetic surveying and earmarked as a potential drilling target.

The company is fast tracking with heritage and drilling permits on the multiple exploration targets identified, with the process deep underway and look forward updating the market accordingly. Discussions with a number of major companies continue in relation to extracting the best value on the Company’s very prospective group of tenements, particularly Horsewell.

ASX CODE: CHK

DIRECTORS

Mr Avi Kimelman (Chairman)
Mr Mordechai Benedikt (Director)
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

P +61 3 9692 7222
F +61 3 9077 9233

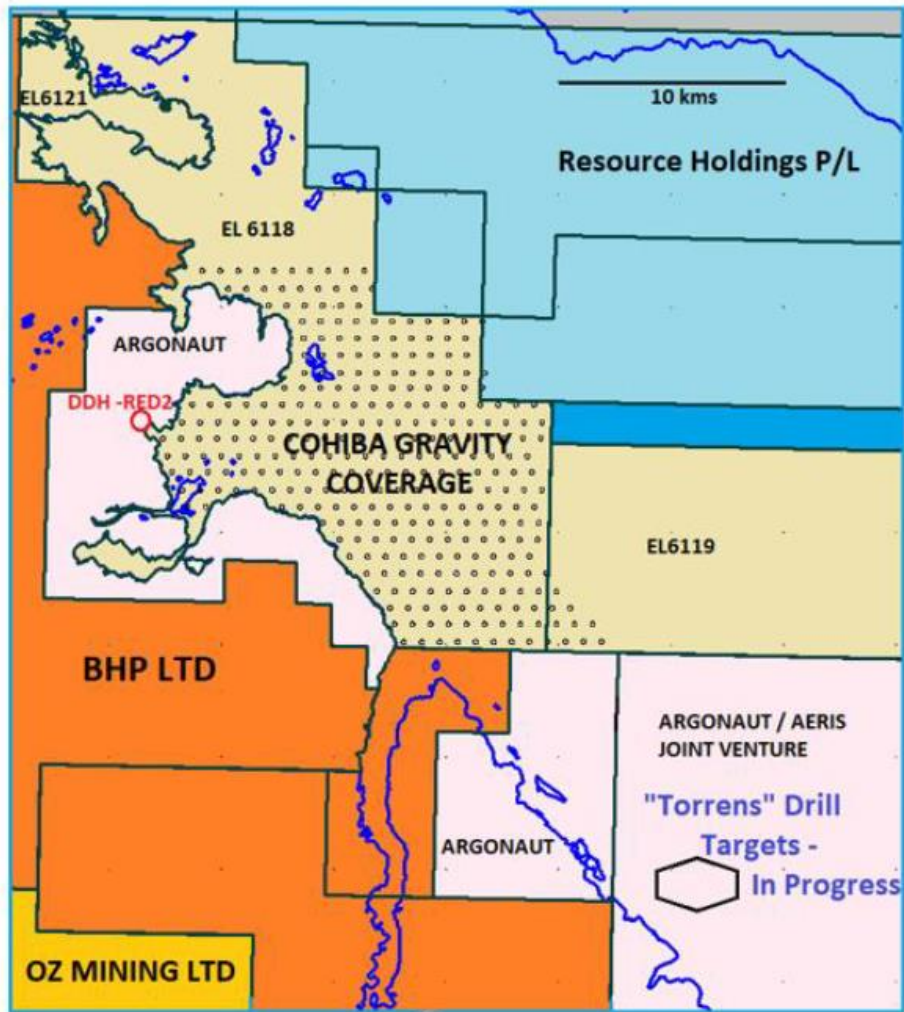


Figure 1: Gravity survey coverage within the Andamooka-Peninsula project area

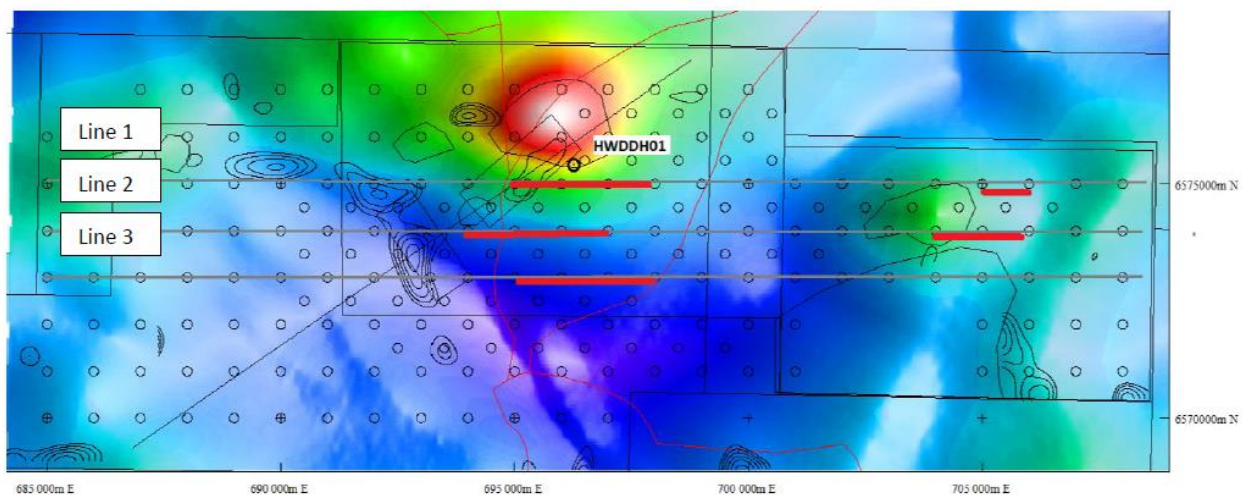


Figure 2A: Plan of the Horse Well area showing magnetotelluric survey lines with red lines (centre and east) denoting location of potential "feeder" systems/zones. Background shows high amplitude magnetic anomalies coincident with central and eastern "feeder" zones. Black contours represent gravity anomalies.

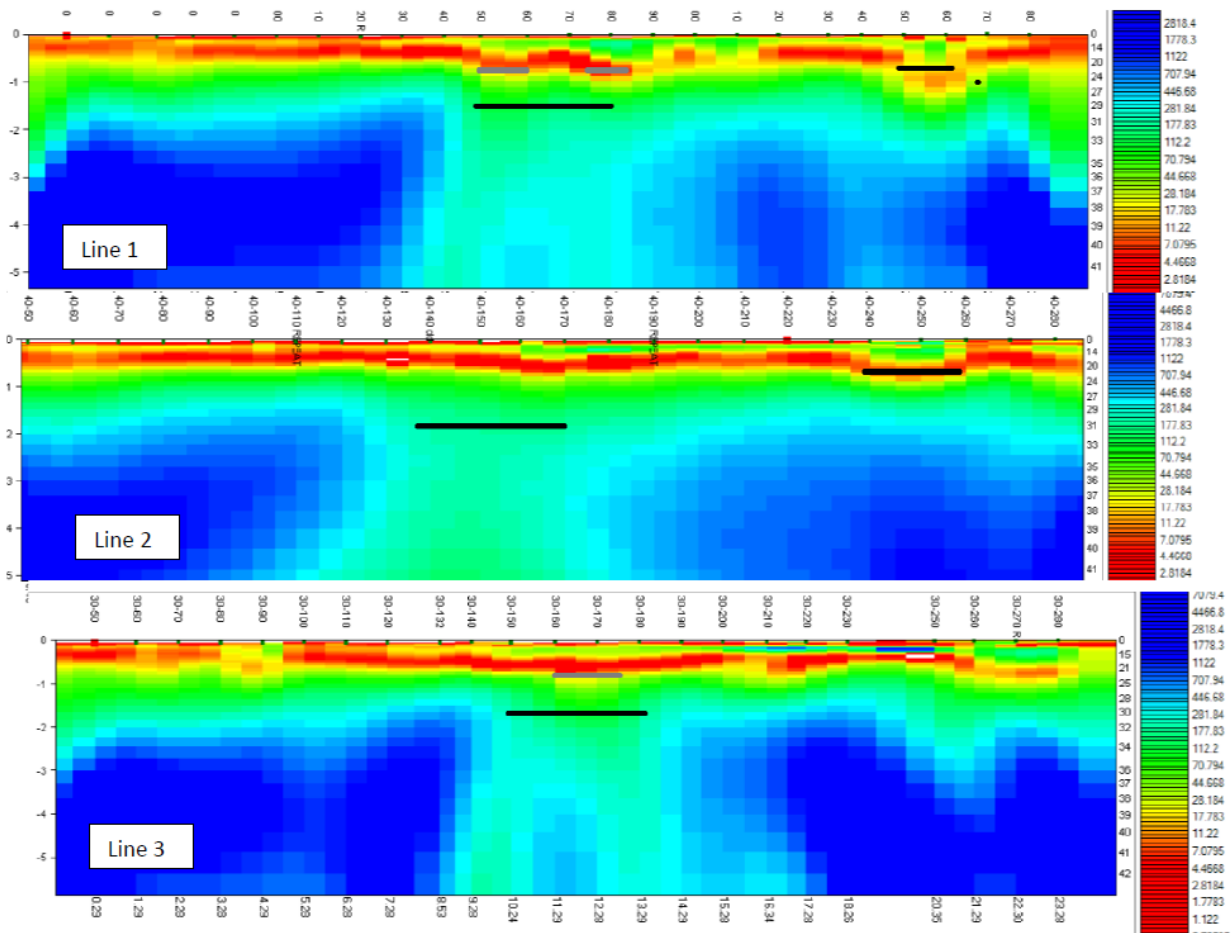


Figure 2B: Magnetotelluric (MT) cross-sections from a recent survey over the Horse Tell area. The black lines correspond with the red lines in the plan view in Figure 1A. The two potential “feeder” zones are shown in the central and eastern parts of the cross-sections.

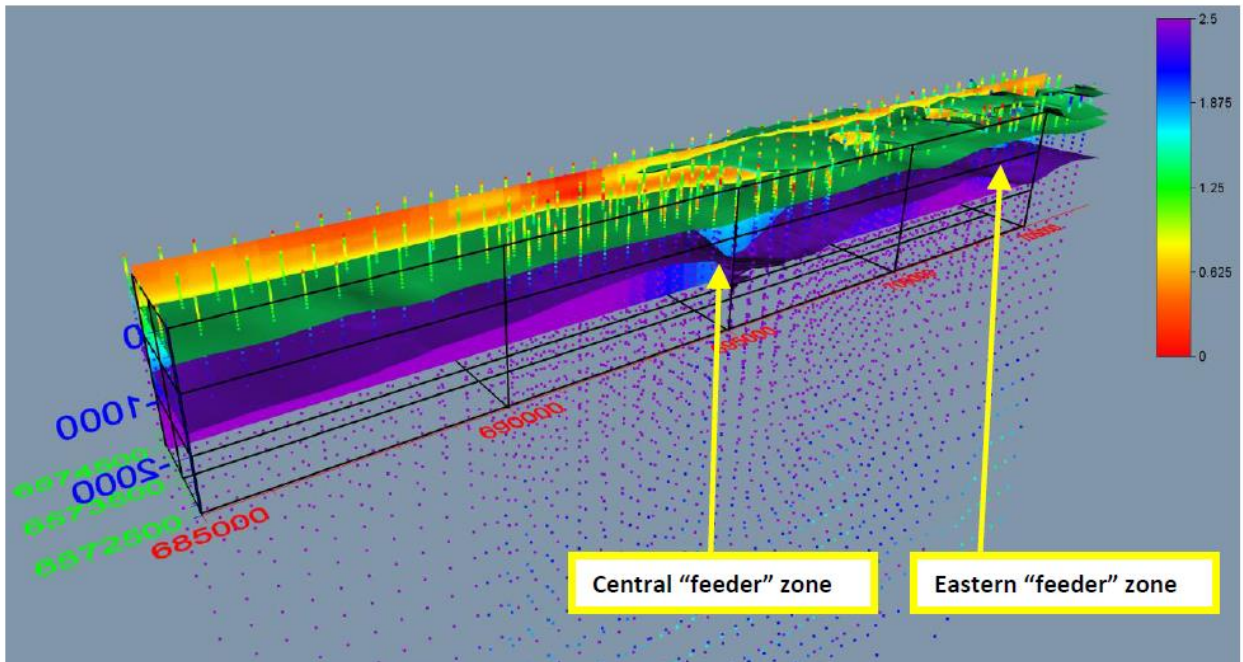


Figure 3: An isometric, cross-sectional view of the first three lines of the magnetotelluric (MT) survey conducted over the Horse well area. The central potential “feeder” zone is evident in centre of the cross section while the eastern potential “feeder” zone can be seen on the right-hand side of the figure.

Pyramid Lake Update (E74/594)

Cohiba Minerals Limited holds (100%) exploration licence E74/594, which covers all of Pyramid Lake in south-western Western Australia, for a total of 11,266 hectares or 112.66 km². Pyramid Lake itself is a salt-lake covering 6,632 hectares located 115 kilometres northwest of the town of Esperance on the northern limit of the agricultural area (Figure 4).

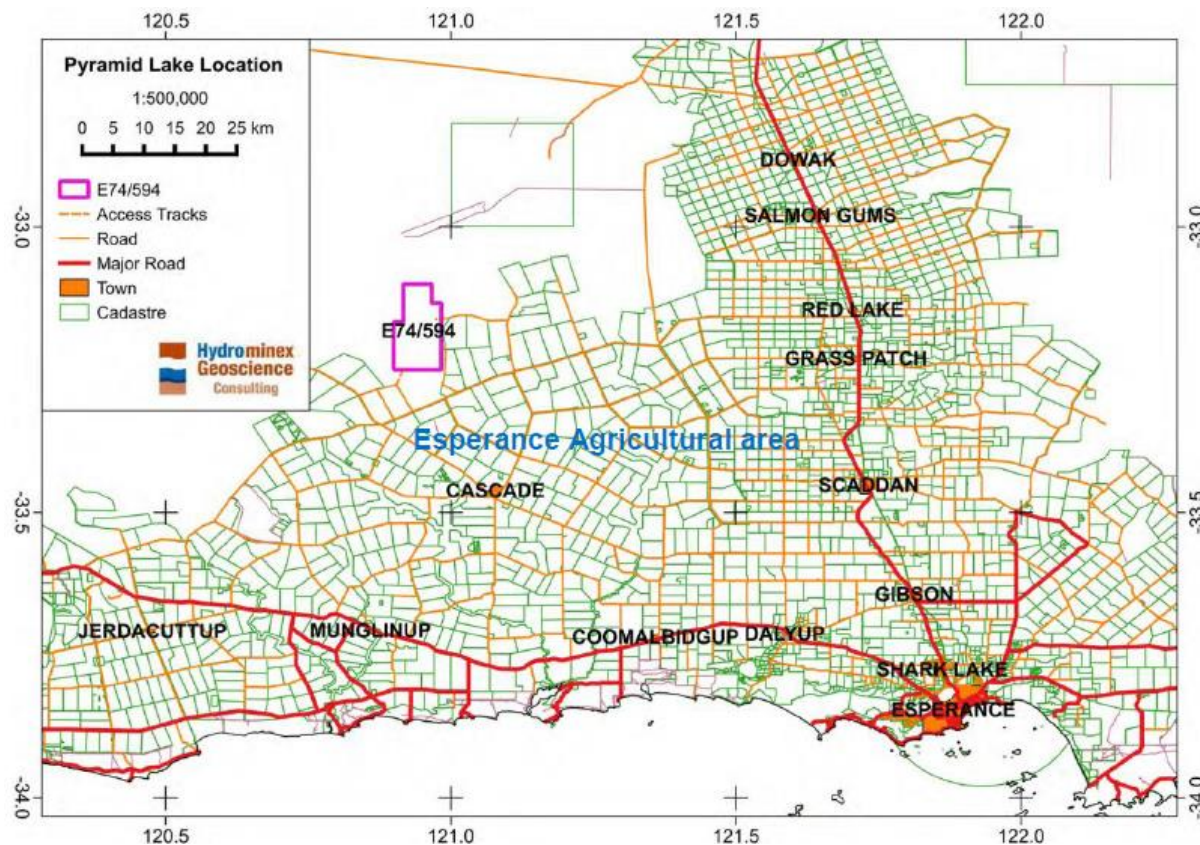


Figure 4: Location of Cohiba's Pyramid Lake Exploration Licence (from Hydrominex 2018).

The E74/594 property (Figure 4) is located 115 km northwest of Esperance (150 km by road) and is accessed from the highway linking Ravensthorpe and Esperance.

It is noted that work has commenced on an application for a Mining Lease and associated Mining Proposal with a view to taking the Pyramid Lake gypsum project into operation.

No field work was carried out on the licence during the quarter but the Company has commenced the process and review of the requirements to apply for a Mining Licence through the DMP with the view to expedite the process for extracting a return on this project.

Wee Macgregor project Update

The Wee Macgregor group comprises three granted mining licences, ML 2504, ML 2773 and ML 90098. These licences are located approximately 60km southeast of Mt. Isa with access via the sealed Barkly Highway and the unsealed Fountain Springs Road.

The Company advises that it has lodged an application for the extension to the term of Mining Licence ML 90098 for a period of 16 years and 1 month from 1 December 2018 with the grant pending.

No work was carried out on the tenements during the quarter but the Company has had a number of discussions with different parties to evaluate all options on the table whilst also extracting the best outcome for shareholders.

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 leach processing plant in the Mt. Isa region (referred to as the Lady Jenny processing plant¹). 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 X Pty Ltd. As at the date of this report, there have not been any shares issued pursuant to this ASX waiver.

Corporate

During the June 2019 quarter, the Company appointed Mr Avi Kimelman as Non-Executive Director and Chairman. Avi was instrumental in bringing Olympic Domain to the company and negotiated the asset's terms in its early stages.

Junior Minerals Exploration Incentive – Successful Application for 2019/2020 Year

The Company advises that it has received confirmation from the Australian Taxation Office (ATO) that its application to participate in the Junior Minerals Exploration Incentive (JMEI) scheme for the 2019/2020 tax year has been accepted.

The Company has received an allocation of up to \$343,750 in tax credits which can be distributed to Eligible Shareholders. Eligible Shareholders must be Australian residents who apply for and are issued ordinary shares in the Company's capital raising activities between 1 July 2019 and 30 June 2020. All JMEI credits will be allocated to Eligible shareholders on a pro rata basis.

Interests in Mining Tenements

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

| Mining Tenement | Location | Beneficial Percentage held | Interest acquired/farm-in or disposed/farm-out during the quarter |
|------------------------|-------------------|-----------------------------------|--|
| E74/594 | Western Australia | 100% | - |
| EPM 26379 | Queensland | 100% | - |
| EPM26376 | Queensland | 100% | - |
| EPM26377 | Queensland | 100% | - |

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

| | | | |
|----------|-----------------|------|---|
| EPM26378 | Queensland | 100% | - |
| ML 2054 | Queensland | - | Right to earn up to 80% - farm-in agreement |
| ML 2773 | Queensland | - | Right to earn up to 80% - farm-in agreement |
| ML 90098 | Queensland | - | Right to earn up to 80% - farm-in agreement |
| EL 6118 | South Australia | 30% | Right to earn up to 80% - farm-in agreement |
| EL 6119 | South Australia | 30% | Right to earn up to 80% - farm-in agreement |
| EL 6120 | South Australia | 30% | Right to earn up to 80% - farm-in agreement |
| EL 6121 | South Australia | 30% | Right to earn up to 80% - farm-in agreement |
| EL 6122 | South Australia | 30% | Right to earn up to 80% - farm-in agreement |
| EL 5224 | South Australia | 30% | Right to earn up to 80% - farm-in agreement |
| EL 5970 | South Australia | 30% | Right to earn up to 80% - farm-in agreement |

For further information, please contact:

Mordechai Benedikt

Executive Director

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 June 2019

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (48) | (963) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (77) | (309) |
| (e) administration and corporate costs | (57) | (668) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 3 | 23 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other | - | - |
| 1.9 Net cash from / (used in) operating activities | (179) | (1,917) |

| | | |
|--|---|-------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | - |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | (284) |
| (d) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|---|------------------------------------|---|
| 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) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | (284) |

| | | | |
|-------------|---|----------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | 1,499 |
| 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) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | 1,499 |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,375 | 1,898 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (179) | (1,917) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | (284) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 1,499 |

Mining exploration entity and oil and gas exploration entity quarterly report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|---|------------------------------------|---|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 1,196 | 1,196 |

| 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 | 1,196 | 1,375 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Short term deposits | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 1,196 | 1,375 |

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 |
|------------------------------------|
|------------------------------------|

77

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Relates to payment of Director's fees for the June 2019 quarter.

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 |
|------------------------------------|
|------------------------------------|

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Mining exploration entity and oil and gas exploration entity quarterly report

| 8. Financing facilities available <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. | | |
| - | | |

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | 200 |
| 9.2 Development | - |
| 9.3 Production | - |
| 9.4 Staff costs | 120 |
| 9.5 Administration and corporate costs | 160 |
| 9.6 Other (provide details if material) | - |
| 9.7 Total estimated cash outflows | 480 |

| 10. Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|--|---------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | - | - | - | - |
| 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 July 2019

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.