



ASX CODE: CHK

TO: COMPANY ANNOUNCEMENTS OFFICE ASX LIMITED

DATE: 7 AUGUST 2017

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## OUTSTANDING COPPER AND COBALT GRADES FROM INITIAL FIELD ASSESSMENT AT WEE MACGREGOR

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### Highlights:

- Preliminary (Niton-XRF)\* rock chip results indicate outstanding copper and cobalt grades at several locations both within the existing resource area and as satellites or extensions, including:

- 14.2% Cu and 0.12% Co at Rosebud;
- 45.38% Cu and 1.88% Co within resource;
- 7.45% Cu and 0.94% Co at Wee MacGregor south;

- Confirmation of high grade copper and cobalt mineralisation within the Wee MacGregor system.

Cohiba Minerals Limited (ASX: CHK) ("Cohiba" or "Company") is pleased to announce that recent field assessment at the **Wee Macgregor Project** in the premier base metals province of Mount Isa, QLD has delivered outstanding results as set out in table 1. Preliminary XRF values indicate numerous high-grade targets with peak grades of up to **45.38% copper** and **1.88% cobalt**. Samples have been submitted for assay which we expect will return gold values as well.

Historically, cobalt and gold have never been assayed at the Wee MacGregor project. We now have confirmation of anecdotal evidence for high grade cobalt mineralisation in association with copper in the area.

The following series of images depict the high-grade nature of mineralisation in the area by location:

### ISSUED CAPITAL

432,447,574 fully paid shares  
230,635,367 CHKO listed options

### DIRECTORS

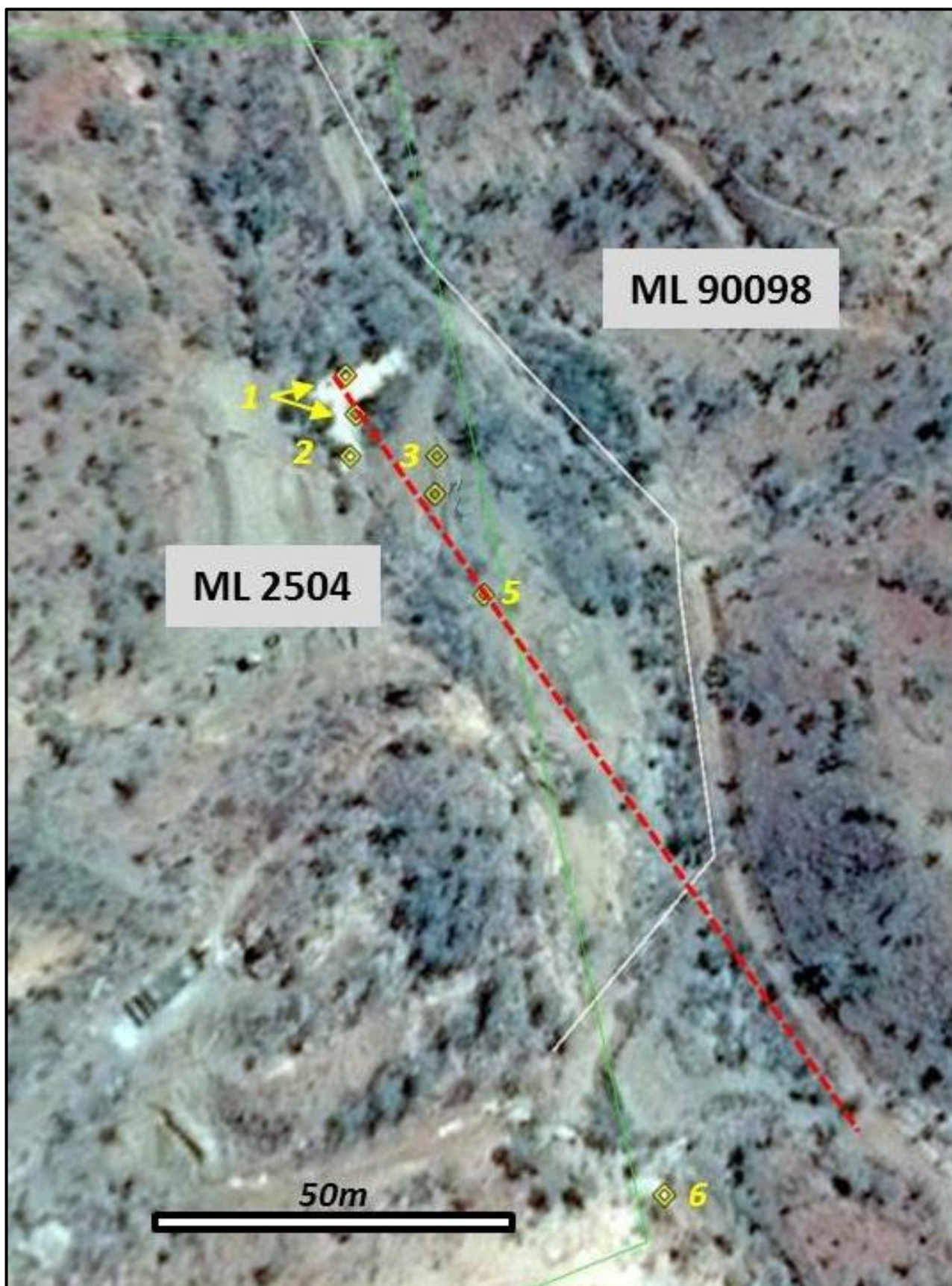
Mr Mordechai Benedikt (Chairman)  
Mr David Herszberg (Director)  
Mr Nachum Labkowski (Director)

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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### CONTACT

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**Figure 1:** XRF Sample locations within the Wee MacGregor resource area spanning over 200m of strike.





**Figure 2:** WM001 (1) within resource area, NitonXRF values of **0.17% Co** and **16.42% Cu**.



**Figure 3:** WM002 (2) within resource area, NitonXRF values of **1.28% Co** and **1.18% Cu**, and **0.8% Co** and **1.42% Cu** respectively.





**Figure 4:** WM003 (3) within resource area, NitonXRF values of **0.21% Co** and **45.38% Cu**.



**Figure 5:** WM005 (5) within resource area, NitonXRF values of **1.88% Co** and **5.71% Cu**.





**Figure 6:** WM006 (6) within resource area, NitonXRF values of **0.126% Co** and **24.38% Cu**.

The fieldwork program, carried out by the Cohiba exploration team, comprised hand sampling and review primarily of the Wee MacGregor resource area and possible southern extensions. The southern extension (outside existing resource area) has potential to provide material for an early start up due to its surface expression and unconsolidated nature (at surface).





**Figure 7:** XRF Sample location within the Wee MacGregor southern extension.





**Figure 8:** Southern extension showing NitonXRF values of **0.94% Co** and **7.45% Cu**.



**Figure 9:** Mineralised zone in the southern extension.

The Rosebud lease (ML 2773) was also visited as was the proposed plant for consideration in future expansion plans.





**Figure 10:** XRF Sample location within the Rosebud licence (ML 2773).





**Figure 11:** Sample from Rosebud showing NitonXRF values of **0.127% Co** and **14.22% Cu**.

Sample	Northing	Easting	Cu%	Co%
WM001	7687215	390128	16.42	0.17
WM002	7687205	390127	1.18	1.28
WM003	7687207	390149	45.38	0.21
WM005	7687175	390163	5.71	1.88
WM006	7687041	390209	24.38	0.126
WMS001	7686711	390126	7.45	0.94
RB001	7695929	393231	14.22	0.127

**Table 1:** NitonXRF results.

## Wee Macgregor Copper Cobalt Mine Area

The Wee MacGregor Project comprises three granted mining licences located approximately 60km southeast of Mount Isa with access via the sealed Barkly Highway. The Mount Isa Inlier is host to numerous large and small scale deposits and is prospective for copper, gold, silver, cobalt, uranium, base metals, rock phosphate, graphite and Iron ore with several operating mines in the district, including some old workings dating from the early 1900's located within the Wee MacGregor project.

Reported production from historical underground mining at the former Wee MacGregor mine is 2731 tonnes of copper and 1535 ounces of gold (at 6.2% Cu & 1g/t Au, from approximately 44,411 tons of ore mined). The nearby historical Rosebud Mine produced some 7980t copper at 6.6% Cu.

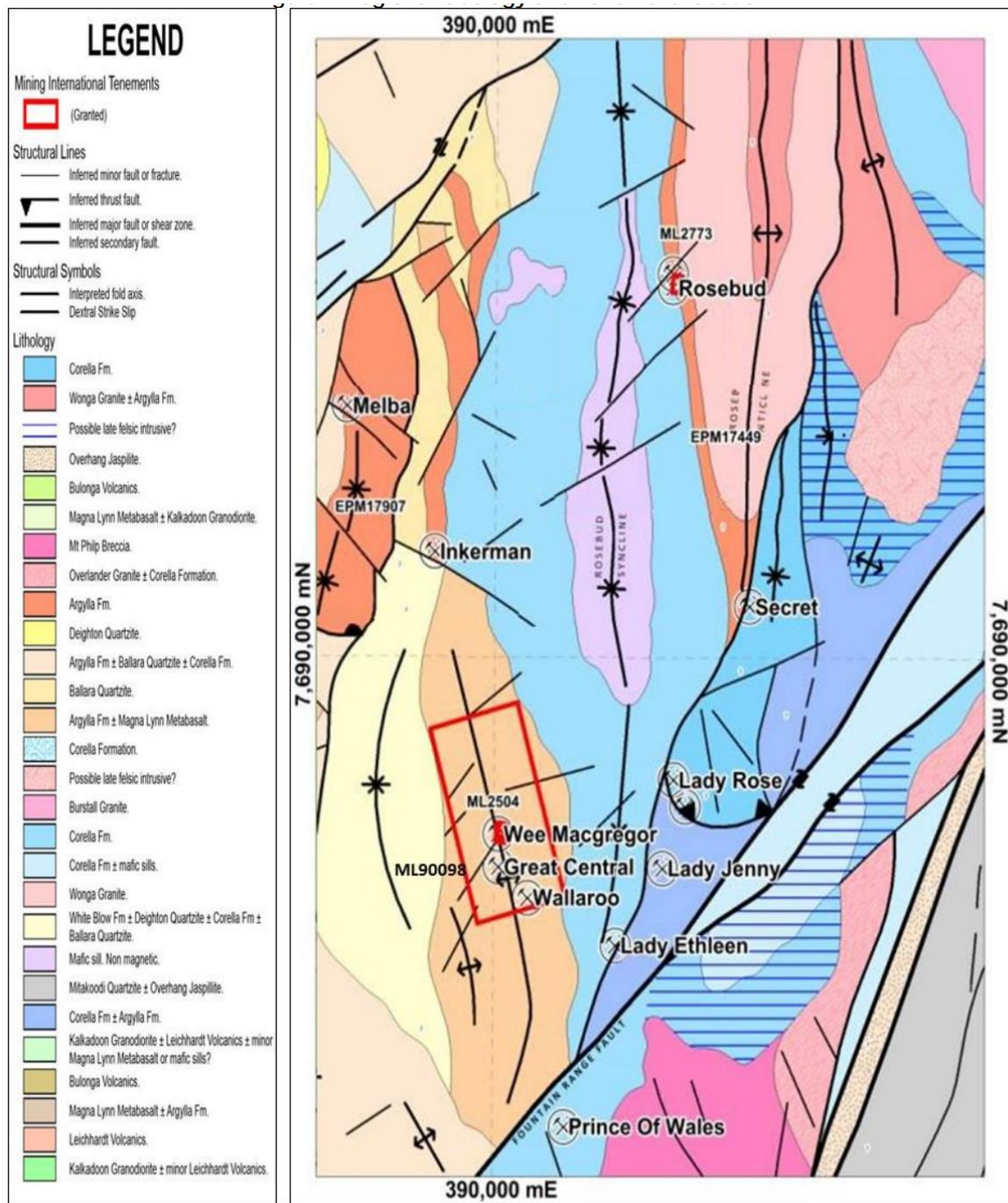


A mineral resource was estimated by the previous project operator and was reported as an inferred resource of 1.65 Million tonnes @ 1.6% Cu for 25,818 tonnes of contained copper<sup>1</sup>, using a 0.5% Cu cut-off grade (COG). An additional Exploration Target was estimated, with a range between 1.0 – 1.5 Mt @ 2.5 – 3.7% Cu (using a 0.5% Cu COG) as a direct extension to the Inferred Resource. No assay data was available at the time for metals other than copper.

Based on the indicative exceptional surface XRF results, the Company believes there is a significant opportunity to better define the resource including accessory elements that were historically unavailable.

1 Refer to ASX Announcement -

<http://www.asx.com.au/asxpdf/20151209/pdf/433p3ftdptvbrt.pdf>

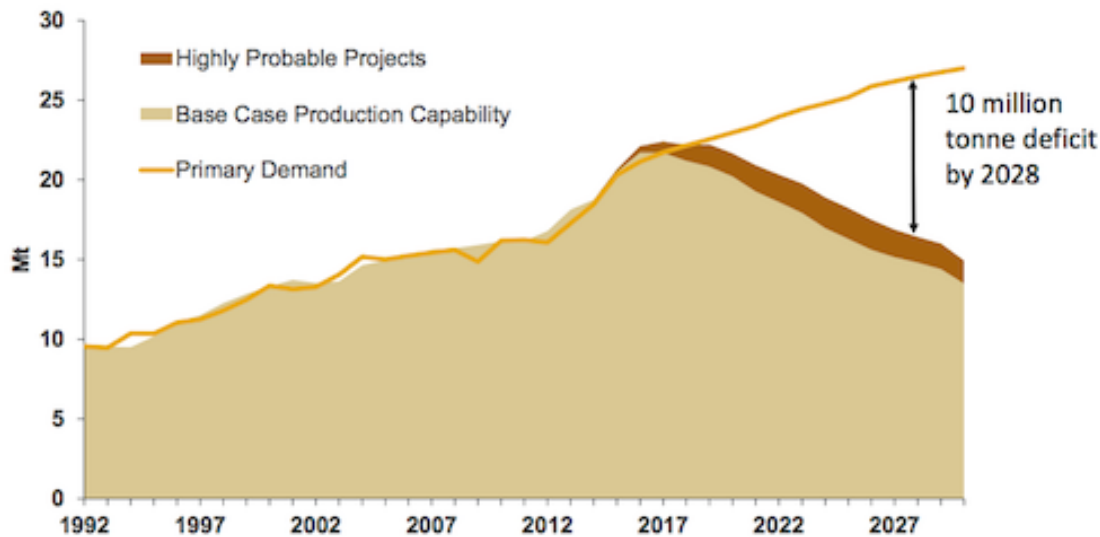


**Figure 12:** Wee MacGregor and Rosebud tenements on geology.



## Delivering Copper and Cobalt at the Right Time

**Copper** - As a result of underinvestment in new projects, declining grades at existing mines and a myriad of recent production issues, according to Wood Mackenzie research report, the copper market is headed toward a supply deficit beginning in 2016/2017, in line with CHK's fast tracked exploration and development strategy, with a forecasted 10 million tonne deficit by 2028.

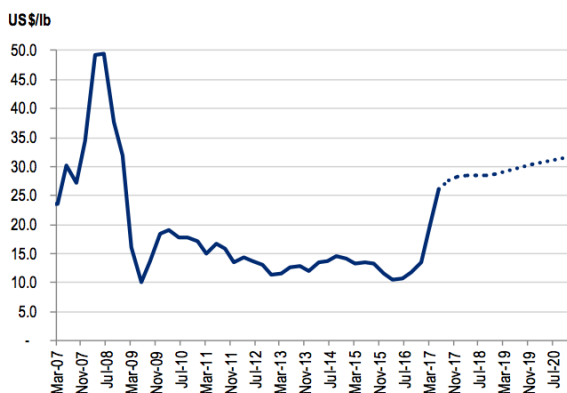


Source: Wood Mackenzie, Q4 2014

Source: Wood Mackenzie

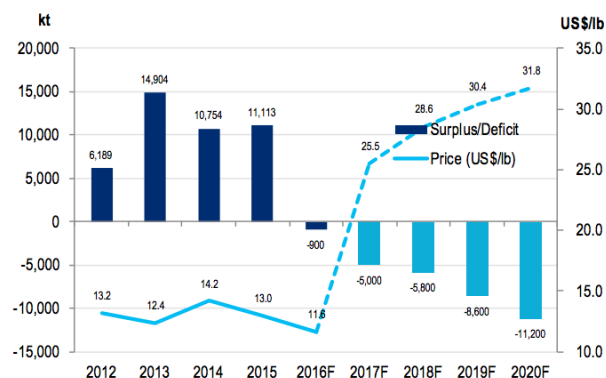
**Cobalt** - Strong demand coupled with constrained supply to support cobalt price rally: LME cobalt price has rallied 82% YTD thanks to strong demand, with growth mainly driven by EV batteries, as well as constrained supply. Global cobalt demand in 2013-16 grew at a 12% CAGR. This dipped in 2015 due to stabilising demand for consumer electric batteries, which was the major cobalt demand segment in the past. Going forward, Citi expect global demand to grow at a 7.5% CAGR, outpacing supply growth at 5% CAGR, creating a widened deficit and supporting the price to rebound to over US\$63,000 in Q418.

**Figure 1. Cobalt price rallied 82% YTD; expected to steadily increase further to 2020**



Source: Asian Metal, Citi Research

**Figure 2. We expect global supply deficit to widen and support price**



Source: Citi Research

Source: Cobalt Wonder Metal: Riding On EV Boom - 25 Jul 2017 - Cobalt Wonder Metal: Riding On EV Boom



## Comment

The Company announced the terms of the Wee MacGregor Group of tenements on 6 April 2017.

Cohiba's Executive Director, Mordechai Benedikt, said "He was encouraged by the fieldwork results from Wee Macgregor, which confirmed the excellent prospectivity for copper, cobalt and gold in the region and scale of the project."

"With the copper price at a 2 year high and the elevated cobalt and gold prices, we are committed and excited with the strategy to expedite exploration and development of our copper cobalt and gold projects.

While these are only preliminary results, which are subject to final laboratory assays, we are very encouraged by the exceptionally high copper and cobalt grades that have been returned, particularly as cobalt historically has never been assayed on the project and is evidently visible as some of the highest copper cobalt grades in the country. The Wee MacGregor project underpins our broader growth strategy and provides Cohiba significant positive momentum for the Company moving forward with its near term copper, cobalt and gold mine development and production plans. The Company is also continuing discussions to formalise working agreements with Corella Valley Pty Ltd and other project right owners to continue our consolidation approach and we look forward to updating our shareholders in due course".

Final assay results from the rock chip-sampling program are expected to be received from the laboratory over the coming weeks, allowing a full assessment of the fieldwork program. It is expected that follow up work will involve drilling with the objective of defining copper, cobalt and gold in the near term mine development areas, with regulatory approvals being sought and discussions underway with an experienced contractor to carry out the initial earthworks and exploration drilling.

The Company is working to ensure it is best placed to deliver value and upside potential for all its shareholders with the exploration and development works being planned. As a result of the Cobalt X acquisition and the Company's existing exploration areas of interest, the Company has a clear development pathway with several exploration targets and will be devising plans to systematically carry out exploration work to review each area of interest in line with relevant budgets and development plans. The Company will provide updates to shareholders in due course.

For Further information, please contact:

Mr Mordechai Benedikt  
Executive Chairman

### **Competent Persons Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Mr Olaf Frederickson. Mr Frederickson is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking 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 (the "JORC Code"). Mr Frederickson is a consultant to Cohiba Minerals Limited. Mr Frederickson consents to the inclusion in the report of the Exploration Results in the form and context in which they appear. Mr Frederickson holds shares in Cohiba Minerals Limited.*

**\* Cautionary Statement:** All chemical analyses results quoted in this announcement are from a Niton XRF portable analyser model XL3t GOLDD+. As such they are not representative of the whole sample, nor should they be seen as a substitute for laboratory-based chemical analysis. Samples have been submitted to the lab for analysis and will be reported when received. See JORC Table 1 attached for further information.

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**ACN** 149 026 308 **ABN** 72 149 026 308



# JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Samples were taken as a series of rock chips from visually mineralised material.</li> <li>Several hand sized rocks were taken for each sample.</li> <li>One rock out of each sample was analyzed with the Niton XRF for indicative grade.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>No drilling undertaken.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Sample recovery by hand as rock chips.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate</li> </ul>	<ul style="list-style-type: none"> <li>No logging undertaken.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No sub sampling undertaken.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Assays yet to be undertaken.</li> <li>• Indicative analysis conducted by hand held Niton XRF.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No lab assays available yet</li> <li>• Several XRF shots were taken of the same rock to understand repeatability of result.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Data points recorded with hand held GPS.</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Random rock chip samples.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No orientation data.</li> <li>• Samples taken by hand at surface.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples yet to be assayed. Samples delivered to ALS in Mount Isa.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No audit or review conducted.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Wee MacGregor project is contained within two granted Mining Licences; ML2504 and ML90098 held by Mining International Pty Ltd.</li> <li>• Cohiba Minerals Limited have a farm in agreement with Mining International whereby they will earn an 80% interest in the tenements by meeting the tenement maintenance expenditure for 4 years.</li> <li>• There are existing Environmental Authorities over both licences.</li> <li>• The tenure is in good standing.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• As the project is a historical mine, exploration and mining works have been conducted at different times since 1904. Mining was originally undertaken by MacGregor Cloncurry Copper Mines Pty Ltd and continued until 1920. Intermittent small scale production occurred by Edna May Mines between 1962 and 1971 after which Eastern</li> </ul>

Criteria	JORC Code explanation	Commentary
		Copper Mines attempted in situ leaching from 1974 to 1975. In 1977, leaching was re-established until 1979 when all operations ceased. Brancote completed an RC exploration program in 1991 which is the data being used today for this estimate. No further drilling has been carried out in the project although several reconnaissance visits have occurred in recent years with instances of soil sampling and rock chip collection being undertaken.
<i>Geology</i>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>Shear hosted Cu, Au, Ag, Co mineralisation within amphibolite schist and quartz feldspar porphyry / quartzite host rocks. Cross cutting quartz filled joints, shears and fractures.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li><i>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:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>No drill holes undertaken</li> <li>See table for sample locations and assay results.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade 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.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>No data aggregation undertaken.</li> </ul>
<i>Relationship between mineralisation widths and</i>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with</i></li> </ul>	<ul style="list-style-type: none"> <li>Not applicable.</li> <li>Samples were hand rock chip samples.</li> </ul>



Criteria	JORC Code explanation	Commentary
<i>intercept lengths</i>	<p><i>respect to the drill hole angle is known, its nature should be reported.</i></p> <ul style="list-style-type: none"> <li><i>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').</i></li> </ul>	
<i>Diagrams</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>See attached Figures.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>See table of assay data.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>No other substantive data to report.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>Further work will consist of drilling to establish the depth and tenor of the observed mineralisation at surface.</li> </ul>