



ASX CODE: CHK

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 31 JANUARY 2020

QUARTERLY ACTIVITIES REPORT – 31 DECEMBER 2019

Highlights for the December 2019 Quarter

- Infill magnetotelluric (MT) survey completed in Horse Well area confirms presence of “conductive zone” in the depth range from about 600 – 900 m (possible reflection of sulphides in an IOCG environment).
- Key tenement (EL6183) in the Horse Well area was successfully renewed and all tenements currently in good standing.
- A site visit for the proposed drilling at Horse Well and Pernatty was successfully conducted as part of the Exploration Program for Environment Protection and Rehabilitation (EPEPR).
- Flora, Fauna, Heritage and Native Title survey studies at Pyramid Lake (WA) gypsum project well advanced as part of the Mining Proposal and Mine Closure Plan.

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

Olympic Domain Tenements

During the period the Company engaged the services of Zonge to conduct an infill magnetotelluric (MT) survey within the Horse Well area at Arcoona Station (Figure 1) and Purple Downs Station (Figure 2).

The results from the infill magnetotelluric survey (Figure 3) reinforced the previous survey results indicating the presence of a “conductive zone” in the 600 – 900 m range, which may reflect the presence of sulphides within an IOCG environment.

It also confirmed the location for the first (HWDDH01) of four proposed drill holes at Horse Well, which were selected to test the coincident gravity, magnetic and magnetotelluric anomalies (Figure 4).

In preparation for drilling the Company’s exploration consultant has generated an Exploration Program for Environment Protection and Rehabilitation (EPEPR) as well as an Access Inspection Survey Request as part of the approval process for the exploration drilling programs. The Company was notified in September that the Kokatha Aboriginal Corporation (KAC) was placed under special administration due to an ongoing dispute between its directors and members and discussions with the administrator are ongoing.

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DIRECTORS

Mr Avi Kimelman (Chairman)
Mr Mordechai Benedikt (Director)
Mr Bob Beeson (Director)
Mr Nachum Labkowski (Director)

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It is the Company's position that Olympic Domain are obligated to obtain the necessary approvals for access to facilitate joint venture expenditure. However, in the interests of progressing the opportunity, the Company is being assisted by advisors that specialise in obtaining the necessary licenses and the required Native Title approvals to allow the Company to obtain access and fast track its proposed drilling program at Horse Well.

Furthermore, and notwithstanding the access issues, the Company is seeking to fast track an exploration program on Pernatty C, due to commence shortly. Through completion of this program, the Company will fulfil its \$500k expenditure requirement for Phase 2 of the farm-in arrangement, which will bring its total interest in the project up to 51%.

Following the release of the September 2019 quarterly activity report by BHP Group Limited (BHP), interest in the Horse Well project increased significantly. BHP reported further high-grade mineralised intercepts of copper, with associated gold, uranium and silver from their drilling program at Oak Dam West, approximately 2 km East of CHK's Horse Well tenements. BHP's next drilling phase was expected to commence in November 2019 (BHP Release: 17 October 2019).

Further exploration programs commenced and carried out by other companies active in the region, such as, FMG resources Pty Ltd and OZ Minerals will only strengthen our knowledge of targeting techniques and increase the value of the company's holdings.

Consequently, discussions with several major companies are ongoing in relation to extracting the best from the Company's highly prospective group of tenements, especially the Horse Well area. Management understands that the time it takes to progress the Company's opportunities can be frustrating, yet it remains committed to securing the best opportunity for shareholders which may include the Company pursuing the project alone under its existing agreements.

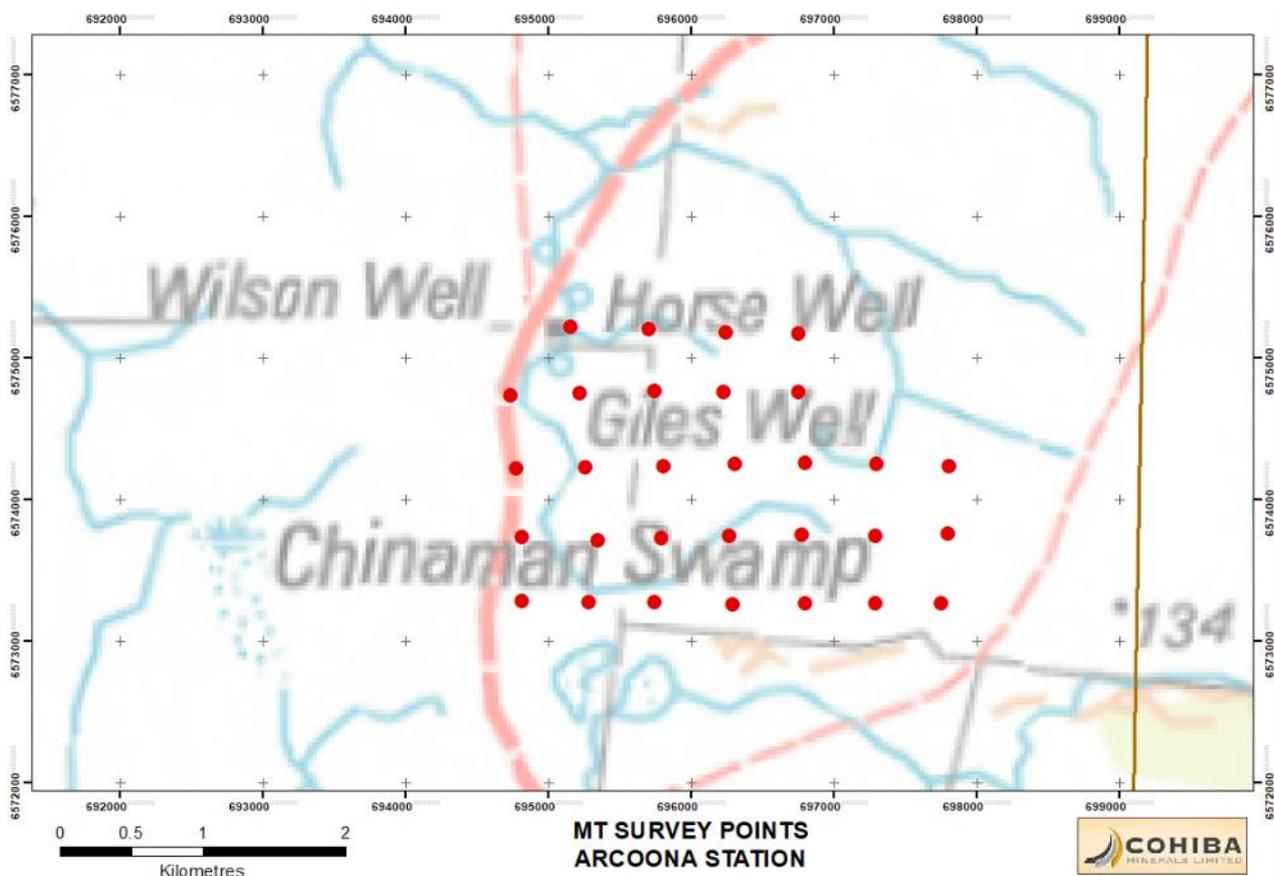


Figure 1: Location of infill magnetotelluric (MT) survey points in Horse Well area (Arcoona Station).

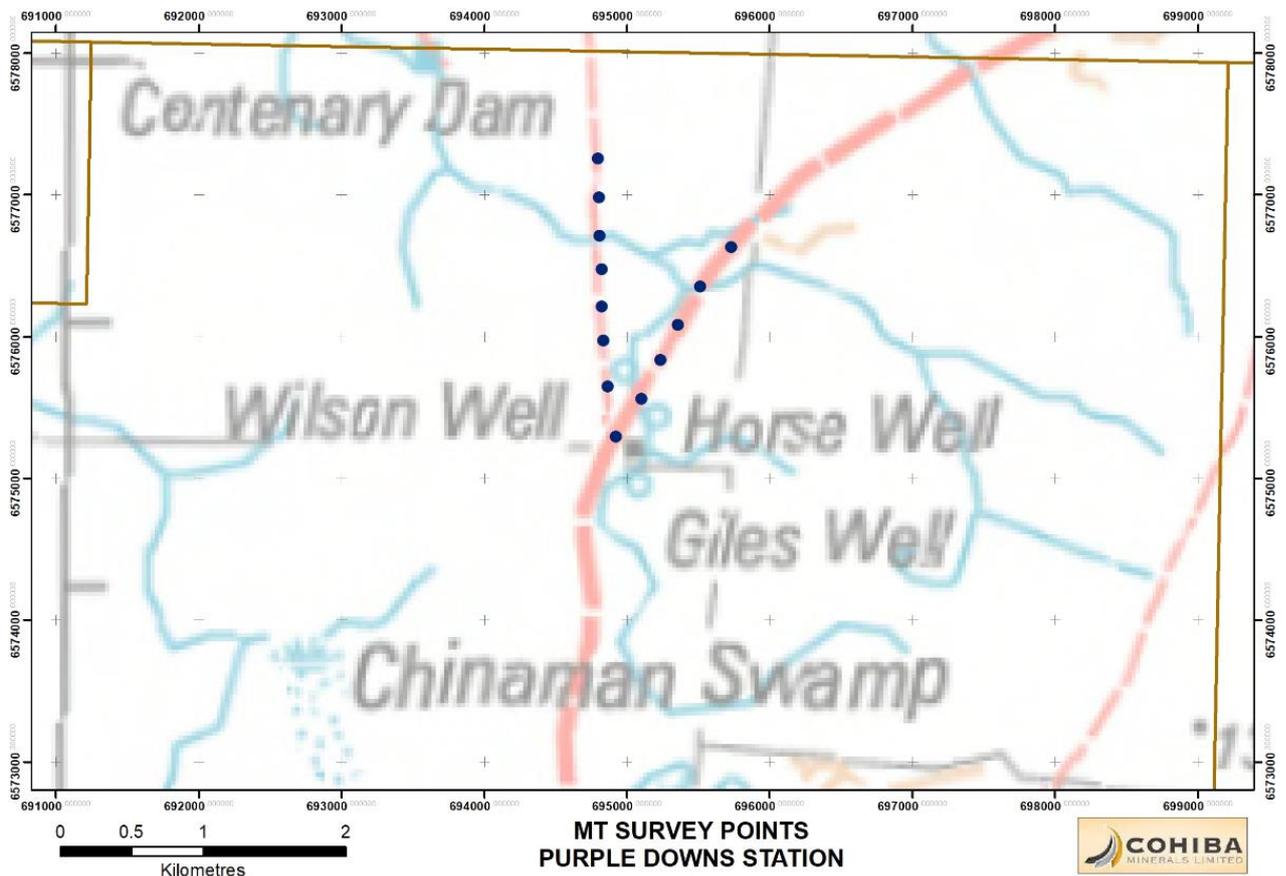


Figure 2: Location of infill magnetotelluric (MT) survey points in Horse well area (Purple Downs)

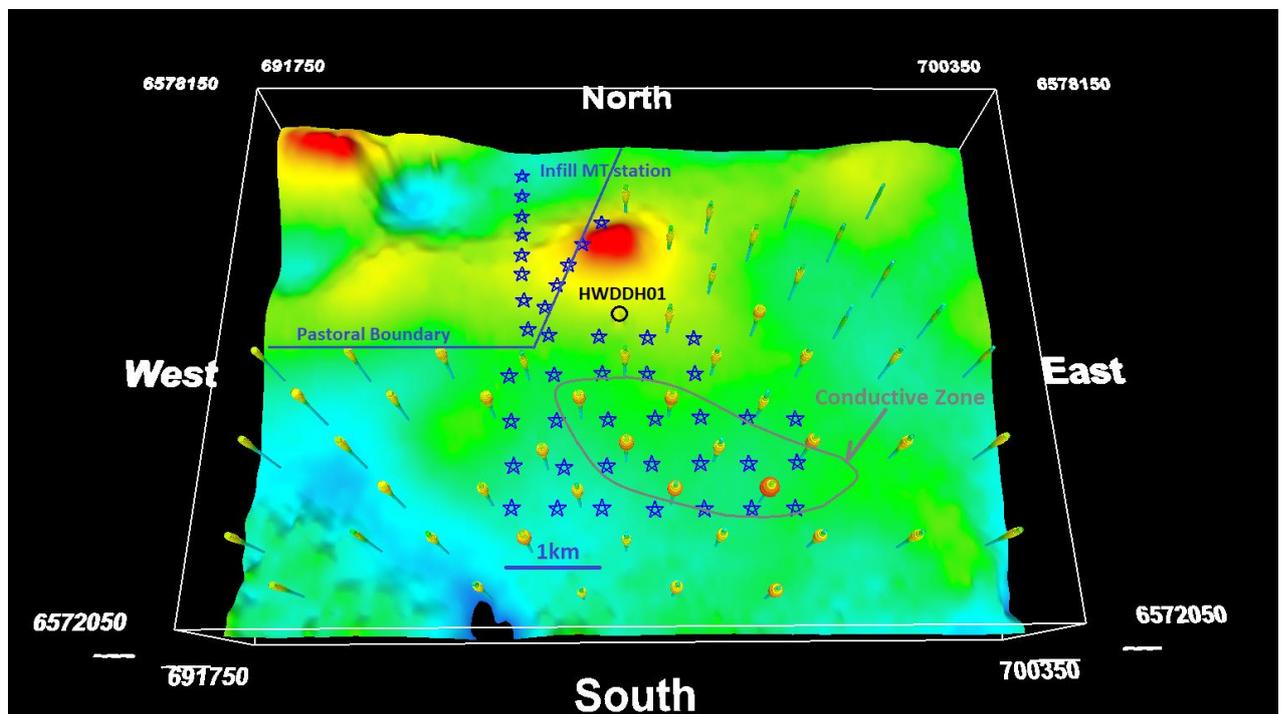


Figure 3: Infill magnetotelluric survey (blue stars) within the Horse Well area showing “conductive zone” and location of proposed drill hole (HWDDH01).

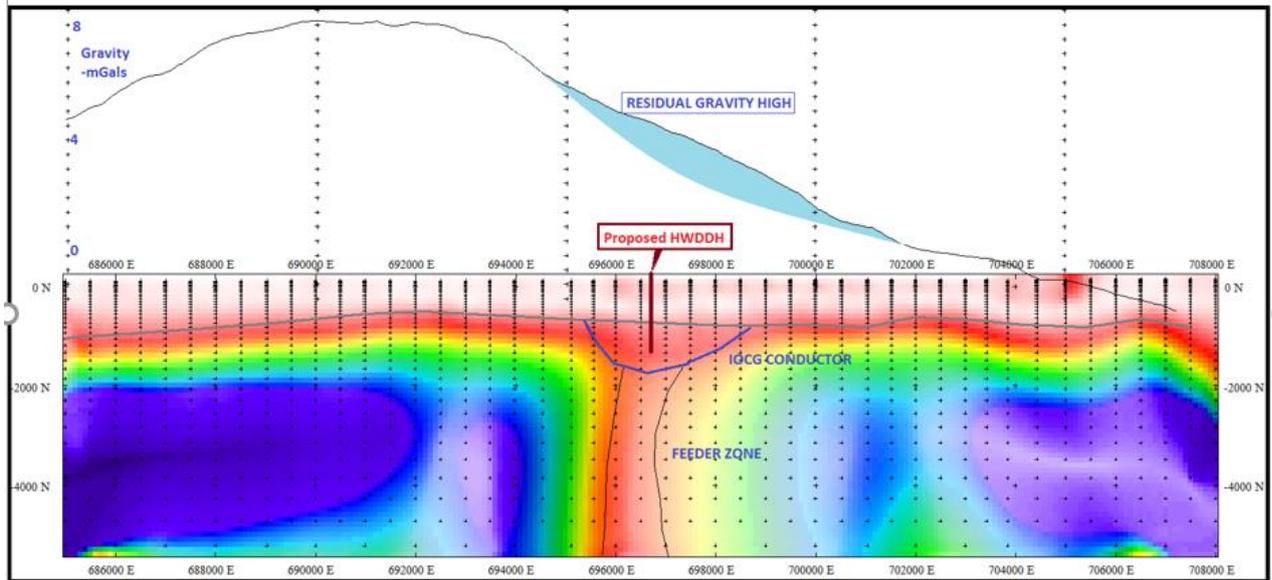


Figure 4: Cross-section of the Horse Well area showing the magnetotelluric (MT) survey results depicting an ICG conductor, the associated “feeder” zone, a potential residual gravity anomaly and the location of the first of four proposed drill holes (HWDDH01).

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).

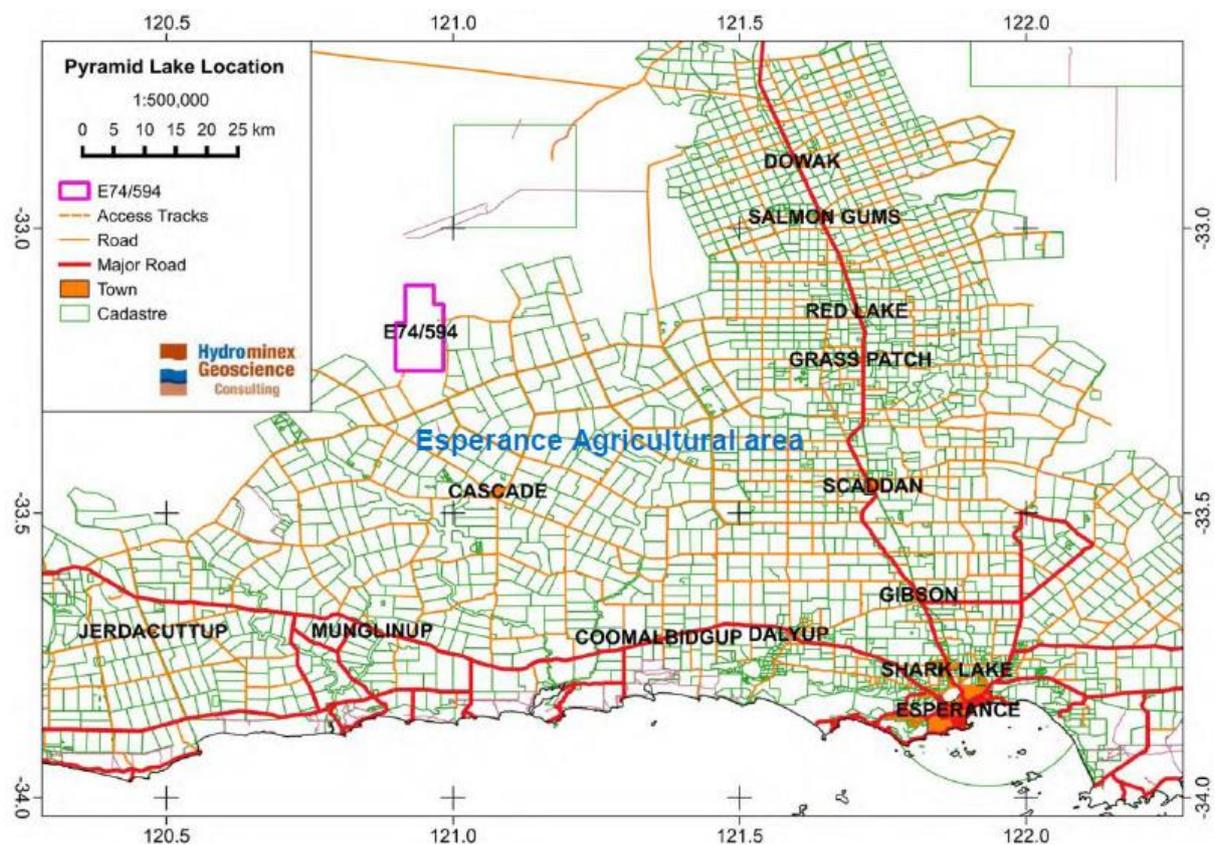


Figure 4: Location of Cohiba’s Pyramid Lake Exploration Licence (from Hydrominex 2018).

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.

Consultants have been engaged to complete a Mining Proposal and Mine Closure Plan for Small Operations concurrent to the Mining Lease application. The Flora and Fauna Survey was completed during the quarter and the Heritage Survey components are in progress.

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 licence

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.

Funding:

The Company is conscious of its cash position and is working with numerous parties who have expressed interest in investment. If a decision is made to pursue a particular funding alternative an announcement will be made to the market.

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%	-
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 6183	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 and on behalf of the Board:

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")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(38)	(109)
(b) development	-	-
(c) production	-	-
(d) staff costs	(99)	(196)
(e) administration and corporate costs	(46)	(167)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
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	(182)	(470)

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

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	-	-
3.	Cash flows from financing activities		
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	-	8
3.10	Net cash from / (used in) financing activities	-	8
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	916	1,196
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(182)	(470)
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)	-	8
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	734	734

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	734	916
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)	734	916

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	99
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	

Relates to payment of Director's fees and consulting fees for the December 2019 quarter.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

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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.		

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9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	250
9.2	Development	-
9.3	Production	-
9.4	Staff costs	120
9.5	Administration and corporate costs	100
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	470

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 January 2020

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.