

## December 2020 Quarterly Activities Report & Appendix 5B

### Highlights for the December 2020 Quarter:

- Drillhole HWDD03 was completed to a depth of 1,179.7 m (assays pending).
- Drillhole HWDD04 was completed to a depth of 1,464.7 m (assays pending).
- Drillhole HWDD01 was completed to a depth of 1,182.9 m.
- The Company exceeded its \$1.5M expenditure milestone to secure 80% ownership of the Olympic Domain tenements and notified Olympic Domain of its intention to exert its right.
- Completion of a heavily oversubscribed Share Purchase Plan with \$9.38 million received in applications and acceptance of \$5.79 million following scale back.
- The Mining Plan and Mine Closure Plan for the Pyramid Lake Gypsum Project neared completion. An update is required for the Invertebrate Study which is underway.

Cohiba Minerals Limited ('Cohiba' or 'the Company') provides below an update in relation to the exploration activities carried out during the December 2020 quarter.

### Olympic Domain Tenements

Despite three unseasonal weather events that resulted in widespread flooding and substantial delays due to loss of access to the drill sites, Cohiba completed its initial drilling program at Horse Well which comprised four deep drill holes (Figure 1).

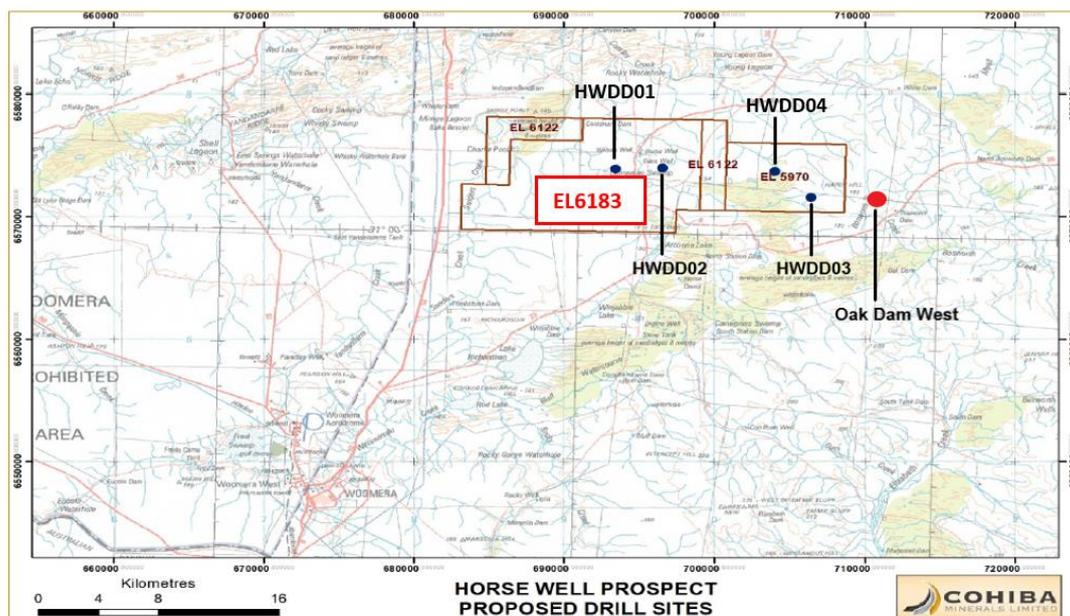


Figure 1: Location of drill holes at the Horse Well prospect.

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### Directors

Mordechai Benedikt – Executive Chair  
Andrew Graham – Executive Director & CEO  
Nochum Labkowski – NED

## Horse Well Area

Drilling commenced on the second hole (HWDD03) on September 12, 2020 and was completed on October 6, 2020 (just inside this reporting period). The drillhole comprised reverse circulation (RC) drilling to 377.5m, diamond drilling (HQ size) to 598.6m and diamond drilling (NQ size) to the end of hole (EOH) at 1,179.7m.

HWDD03 comprised a typical “cover sequence” comprising muds, silts, medium to coarse sands and pebble layers to 989.6m where it encountered the basement material (contact) which was a hematite-rich, altered granitoid. There was evidence of minor mineralisation as shown in Figure 2 and the strongly altered granites and pegmatites persisted to the EOH at 1,179.7m. The decision to end the hole was based on only minor evidence of mineralisation and the emergence of significant biotite which is known to have a poor association with IOCG mineralisation.

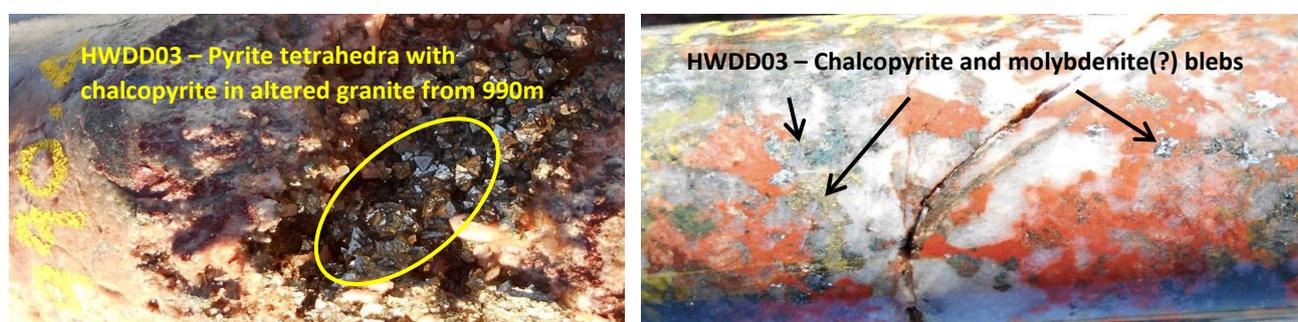


Figure 2: Minor mineralisation in HWDD03 with the left photograph at the contact with the basement material and the right photograph showing sulphides in the altered, hematitic granite.

Drilling commenced on the third hole (HWDD01) on October 23, 2020 (following a significant rain delay which also cut off access to the HWDD04 site temporarily) and was completed on November 7, 2020. A rig change over was required due to a mechanical breakdown and the replacement rig necessitated diamond drilling from surface. The drillhole comprise diamond drilling (HQ size) to 677.4m and diamond drilling (NQ size) to the end of hole (EOH) at 1,182.9m.

HWDD01 comprised a typical “cover sequence” comprising muds, silts, medium to coarse sands and pebble layers with significant amounts of hematite to around 1,020m when it encountered a granite exhibiting strong hematite and feldspar alteration. The sediment-basement contact was not distinct with interspersed sediments and granite in the core till 1041.8m after which granite occurred till the EOH at 1,182.9m. Only minor sulphides were observed in HWDD01 and the decision to terminate the hole was based on lack of evidence of mineralisation despite the altered granites being very typical of an IOCG environment. No samples were submitted for analysis for HWDD01.

Drilling commenced on the fourth hole (HWDD04) on November 9, 2020 and was completed on November 30, 2020. The drillhole comprised reverse circulation (RC) drilling to 300.0m, diamond drilling (HQ size) to 704.6m and diamond drilling (NQ size) to the end of hole at 1,464.7m.

HWDD04 comprised a typical “cover sequence” comprising muds, silts, medium to coarse sands and conglomeratic layers to 971.8m where it encountered a mafic dyke with pervasive chlorite alteration, hematite veins and minor sulphides. This passed sharply into a weakly foliated granite at 974.9m which exhibited strong hematite and chlorite alteration with minor chalcopyrite, bornite and pyrite stringers (Figure 3). At 1,033.5m there was a band of pervasive chalcopyrite and pyrite mineralisation within the granite (Figure 3.). The hematite-rich, altered granite exhibited stringers and disseminations of chalcopyrite + pyrite

+/- bornite to varying degrees to 1,396.2m where it encountered a fine to medium grained basalt with weak hematite alteration, carbonate veining and minor sulphides. The basalt persisted to 1,464.7m when the decision was made to end the hole.



Figure 3: Pervasive chalcopyrite + pyrite mineralisation in altered, hematite-rich granite (left hand photograph) and bornite + chalcopyrite stringers in hematite-rich, altered granite (right hand photograph)

Logging and photographing of all of the drill chips (RC) and drill core for HWDD03, HWDD04 and HWDD01 was undertaken by Euro Exploration which provided full geological supervision for all of the drilling program.

Analytical results are pending for HWDD03 and HWDD04 . No samples were submitted for HWDD01 which did not show any visual evidence of appreciable mineralisation.

Planning is currently underway for up to an additional 5 drill holes in the Horse Well area which are targeting additional discrete IOCG targets as well as potential extensions to the mineralised zone associated with HWDD04 and possibly HWDD03.

Cohiba has engaged the services of some subject matter experts (SME) in the area of IOCG deposits and they have reviewed the drill core and the logging data and have provided significant feedback in relation to Cohiba's program of work moving forward.

#### **Pernatty "C" Area**

No on-ground work was carried out at Pernatty C during the period. The drilling program at Pernatty C which was to be undertaken following the Horse Well drilling program was delayed and then temporarily postponed due to access issues, as a major powerline upgrade was being undertaken directly adjacent to the approved drill hole sites in the northern area. This program of work will still go ahead, and efforts are also being made to expand the size of the current program (requires approval by the Kokatha Aboriginal Corporation).

#### **Olympic Domain Farm-in update**

During the previous quarter, the Company announced that it had provided Olympic Domain Pty Ltd (**OD**) with notification that it (the Company) had acquired its Stage 3 (80% ownership) Interest in the Olympic Domain tenements in South Australia (**Tenements**).

Under the terms of the Farm In Agreement dated 7 March 2018 between the Company and OD (**Farm In Agreement**), the Company would have the right to acquire its Stage 3 Interest in the Tenements ("**Stage 3**") upon incurring Expenditure of an aggregate of \$1,500,000 concerning the Exploration in the thirty-six (36) months commencing on 7 March 2018. Pursuant to the Farm in Agreement, OD would then be deemed to have transferred Stage 3 to the Company or the nominee of the Company, and (OD would also) be liable to

contribute toward further Expenditure incurred in proportion to its (OD's) remaining Interest in the Tenements.

During the previous quarter the Company announced that OD had refused to acknowledge the Company's claim for Stage 3. Accordingly, during the previous quarter the Company announced that it commenced legal proceedings in the Supreme Court of Victoria to enforce its rights pursuant to the Farm In Agreement (**Litigation**). A further update will be provided upon the determination of the Litigation.

**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 km<sup>2</sup>. 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 14).

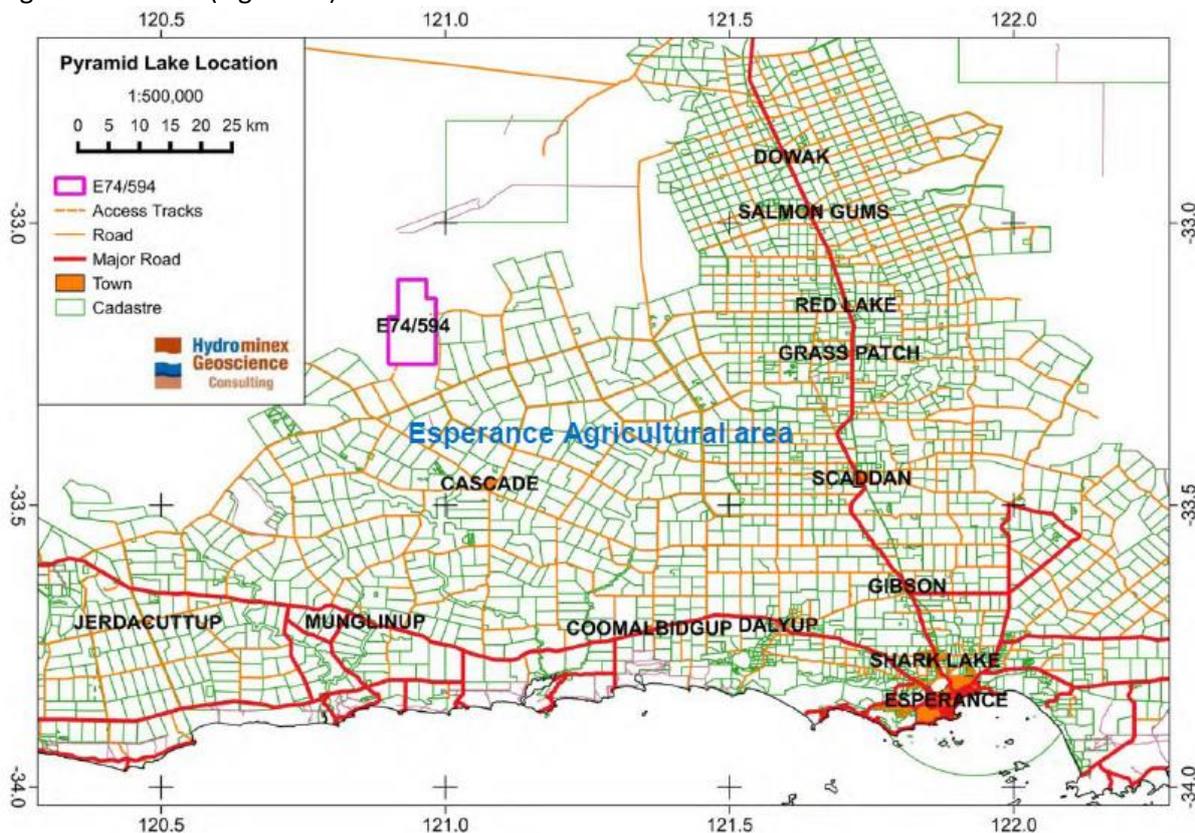


Figure 14: Location of Cohiba's Pyramid Lake Exploration Licence (from Hydrominex 2018).

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.

Groundwork Plus are coordinating the delivery of the Mining Plan and Mine Closure Plan and have completed a 14-year mine schedule and associated backfill plan as part of this process. The Final Flora and Fauna Study has been submitted. The Surface and Groundwater Studies were completed during the period and the final reports have been submitted as part of the overall Mine Plan. There is still some additional work to be completed on the Invertebrate Study which should be finished in this current quarter.

### 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.

No work was carried out on the tenements during the quarter.

Cobalt X Pty Ltd (a wholly owned subsidiary of Cohiba) has maintained all of these tenements in good standing and in accordance with the Farm-in Agreement in early March 2021 will be able to fully exert its right in relation to an 80% ownership in the tenements. Under the Farm-In agreement Cobalt X Pty Ltd was only responsible for ensuring the tenements were in good standing to exert its rights.

### 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 plant). 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.

All the Queensland tenements are currently in good standing.

### CORPORATE

The following corporate matters were carried out during the period:

#### Cash Balance at 31 December 2020

The Company's cash balance at 31 December 2020 was \$6.995 million.

#### Heavily oversubscribed Share Purchase Plan & Capital raisings

On 30 November 2020, the Company announced that it will be providing existing eligible shareholders the opportunity to participate in a capital raising via a Share Purchase Plan (**SPP**) targeting \$2.0 million with an issue price of \$0.017 (1.7 cents) per share.

On 17 December 2020 the Company announced that it had received strong support from eligible shareholders regarding the Company's Share Purchase Plan Offer ('SPP' or 'SPP Offer') with total application funds received under the SPP amounting to \$9.38 million.

Following the strong support from eligible shareholders, the Board using its discretion and as described in the SPP offer booklet, decided to increase the size of the SPP and accept applications from eligible shareholders for shares under the SPP up to a total raising amount of \$5.279 million. Accordingly, a total of 310,519,276 fully paid ordinary shares (**Shares**) at \$0.017 (1.7 cents) per share are to be issued under the SPP in accordance with the increased raising amount.

During December 2020 and following approval sought at the Company's 2020 Annual General Meeting of shareholders, the Company issued a total of 18,125,000 new Shares and 9,062,500 CHKOA listed options in accordance with the August 2020 capital raising to Directors of the Company.

#### **CHKOA Option conversions**

During the quarter the Company received conversion notices for the conversion of 1,126,159 CHKOA options into 1,126,159 fully paid ordinary shares which were processed during the quarter.

#### **Appendix 5B related party payments**

It is noted that all related party payments included in Section 6 of the accompanying Appendix 5B for the relate to settlement of directors' fees and salaries for the December 2020 quarter.

#### **Resignation of Joint Company Secretary**

The Company advises that Mr Romy Hershman has tendered his resignation as Joint Company Secretary of the Company effective close of business on 29 January 2021.

The Board wishes to thank Romy for his services provided to the Company and wishes him all the best for his future endeavours.

#### **Director Remuneration**

The Company advises that in February 2020, the Executive Chairman, Mr Mordechai Benedikt, agreed to reduce his monthly Director fee. Following a review, the Board has agreed to an increase in the monthly remuneration to \$19,000 per month commencing 1 January 2021. All other terms of his agreement remain the same.

The Board has also agreed to increase the Executive Director, Mr Andrew Graham's, monthly Directors fee to a total of \$10,000 per month, commencing 1 January 2021.

The change in remuneration for the Executive Directors reflects the increased workload and implementation of the Company's business plan and objectives.

### 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	51% *	Right to earn up to 80% - farm-in agreement
EL 6119	South Australia	51% *	Right to earn up to 80% - farm-in agreement
EL 6120	South Australia	51% *	Right to earn up to 80% - farm-in agreement
EL 6121	South Australia	51% *	Right to earn up to 80% - farm-in agreement
EL 6122	South Australia	51% *	Right to earn up to 80% - farm-in agreement
EL 6183	South Australia	51% *	Right to earn up to 80% - farm-in agreement
EL 5970	South Australia	51% *	Right to earn up to 80% - farm-in agreement

\* The expenditure required to meet the Stage 3 (80%) farm-in (\$1.5 M) has been exceeded and the Company is currently awaiting formal acknowledgement from Olympic Domain Pty Ltd prior to lodging the formal documentation with the Department for Energy and Mining (DEM) South Australia.

This announcement has been authorised for released by the Board of CHK.

#### For further information:

**Andrew Graham**  
 Executive Director

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## Appendix 5B

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

Name of entity

COHIBA MINERALS LIMITED

ABN

72 149 026 308

Quarter ended ("current quarter")

31 December 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(95)	(155)
(e) administration and corporate costs	(217)	(372)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	5
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(308)</b>	<b>(516)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(1)	(3)
(d) exploration & evaluation	(1,056)	(1,308)
(e) investments	-	-
(f) other non-current assets	-	-

## 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 (6 months) \$A'000
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 (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,057)</b>	<b>(1,311)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,576	7,866
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	11	24
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(18)	(22)
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)	-	50
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>5,569</b>	<b>7,918</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	2,791	904
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(308)	(516)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,057)	(1,311)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,569	7,918

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
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>6,995</b>	<b>6,995</b>

<b>5.</b>	<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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	6,995	2,791
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,995</b>	<b>2,791</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	108
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*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.*

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.	N/A	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(308)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,057)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,365)
8.4 Cash and cash equivalents at quarter end (item 4.6)	6,995
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	6,995
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	5.12
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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: N/A	
8.8.2 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: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## 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: 31 January 2021

Authorised by: The Board of Directors

## 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.