



TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 31 JANUARY 2019

QUARTERLY ACTIVITIES REPORT – 31 DECEMBER 2018

Highlights for the December 2018 Quarter

- Results from Pyramid Lake Gypsum Project Scoping Study
- Accelerated exploration program on Olympic Domain project including:
 - Completion of detailed gravity survey over the Horse Well area
 - Selection of possible drilling targets based on magnetic and gravity data
 - Geochemical anomalies identified
 - Reprocessing of historical magnetic and gravity data
- Strong results received from Wee Macgregor drilling
- Completion of capital raising injecting \$1.6 million to fund exploration and working capital

Cash at the end of the quarter was approximately \$2.44 million. The net cash inflows for the quarter was approximately \$1.1 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.

Olympic Domain Farm-in Agreement

During the period the Company announced it would accelerate its exploration program on the Olympic Domain tenements where it holds a right to earn up to an 80% interest via a Farm-In Agreement with Olympic Domain Pty Ltd as outlined in a company announcement on March 7, 2018 entitled, "Execution of Farm-In Agreement to IOCG and Base Metals Exploration Projects in South Australia".

Cohiba's decision to accelerate its exploration program over the "Horse Well" tenements was made following the discovery announced by BHP Billiton (ASX: BHP) on their adjacent exploration licence EL5941 (Figure 1). See BHP News Release / Announcement entitled, "BHP copper exploration program update" dated 27 November 2018.

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

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

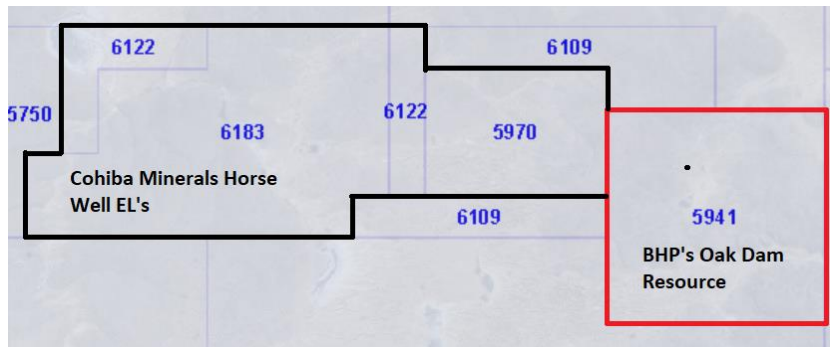


Figure 1: Cohiba Minerals Horse Well EL's (6122, 6183 and 5970) near BHP's Oak Dam Resource, subject to Olympic Domain JV, refer above.

The Company has identified geophysical targets within its Horse Well tenements, including that previously drilled at "Horse Well" drill hole HWD1 within EL6183 (Figure 2). The Company has now engaged with its consultants and exploration team to fast track permits, undertake a detailed magnetotelluric (MT) survey and subsequently plan a drill program.

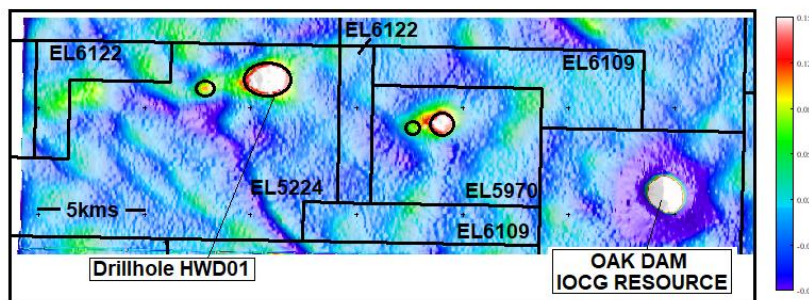


Figure 2: Horse Well Project (EL6122, EL5224 now EL6183 and EL5970) - Vertical Gradient image of TMI in direct comparison to BHP's Oak Dam IOCG resource TMI response

The Horse Well project comprises EL5970 and EL6122 and EL6183 (formerly 5224), lies approximately 45 kilometres to the south of Olympic Dam, and is directly adjacent to BHP's Oak Dam Resource. Aeromagnetic data for the area, from the Mineral Resources SA survey (Figure 2) have been processed to vertical gradient of the TMI, to highlight more local magnetic relief (see company announcement entitled, "Commencement of Exploration Program & Appointment of Geophysical Consultant", dated 7 May 2018).

Oak Dam is associated with a relatively intense aeromagnetic anomaly with a clear strong delineation in the vertical gradient image presented in Figure 2. A similar intense aeromagnetic anomaly is delineated in the adjacent Horse Well area and will be a focus for future exploration work.

Drillhole HWD01 (Figure 2) showed favourable hematite-sericite alteration and accompanying low grade copper mineralisation. HDW01 intersected brecciated and hematite altered Gawler Range Volcanics from 861 m which graded into massive, fine-grained, hematite altered Gawler Range Volcanics towards the end of the hole. Petrological work indicated that the mineralisation is largely diagnostic of a system with fluid compositions similar to the Olympic Dam deposit.

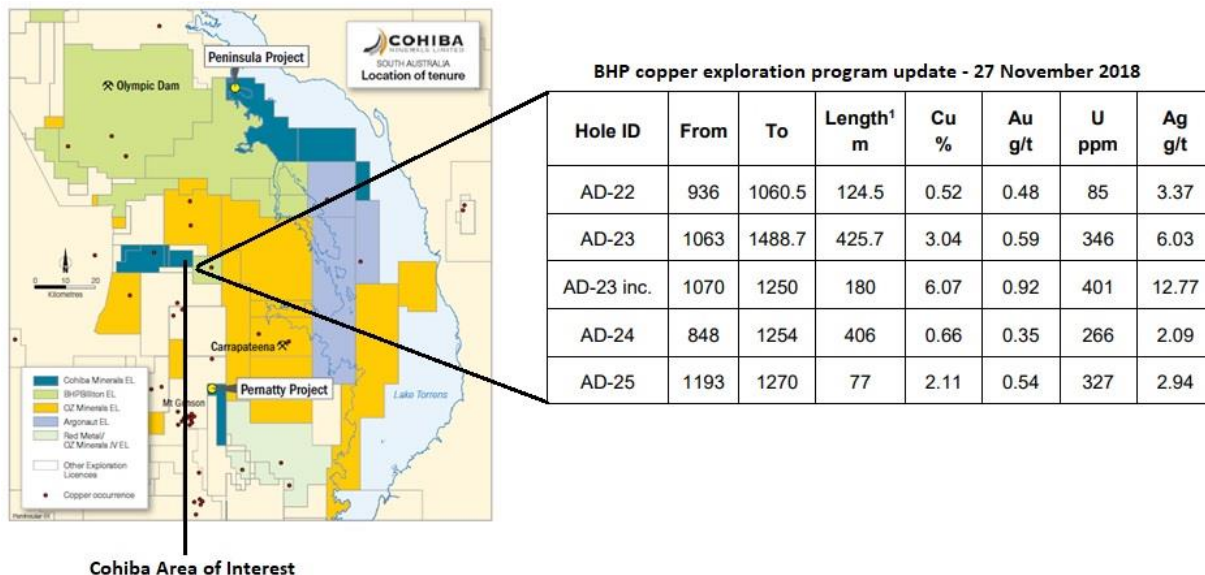


Figure 3: Drilling target 2km from the BHP exploration licence 5941 discovery

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 1).

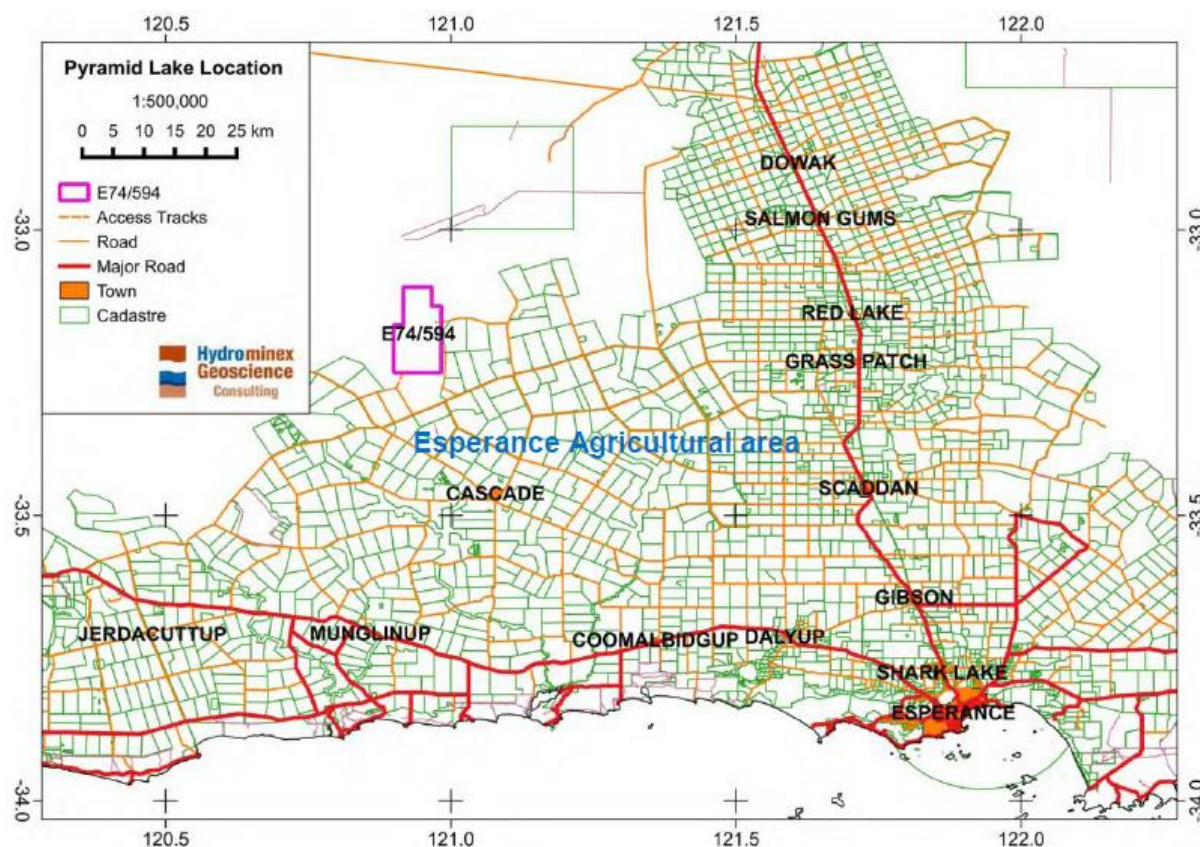


Figure 1: Location of Cohiba's Pyramid Lake Exploration Licence (from Hydrominex 2018).

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.

During the quarter Cohiba announced that it completed a scoping study which demonstrated the potential for robust, profitable, long-term sales from its Pyramid Lake Gypsum deposit in Western Australia (refer to ASX Announcement dated 30 November 2018).

The scoping study showed that the uses for gypsum go well beyond the amelioration of sodic soils to include the amelioration of transient salinity, aluminium toxicity and calcium and sulphur deficiencies in subsoils, thereby markedly increasing its market potential.

In addition, the study showed that gypsum markedly improved water use efficiency (WUE) in responsive soils with 5 to 10 t/ha of gypsum increasing yield potential up to 85%, meaning that crop returns increased by almost \$200 /ha over a 4-year period.

A production scenario was established for the Pyramid Lake gypsum which showed the potential for a 9-year model to deliver a robust return reflected in a Net Present Value (5% discount rate) of \$33.2 million and an Internal Rate of Return (IRR) of 104.7%.

The production model and associated financial model showed that this could be achieved at a very modest capital investment (\$1.2 million) with a further moderate capital injection (\$0.6 million) in year 6 to accommodate plant and throughput expansion. The capital expenditure has been based largely on the acquisition of second-hand equipment with low operating hours to keep overall costs down.

Wee Macgregor project Update

During the quarter, the Company received further results from drilling at the Wee MacGregor project.

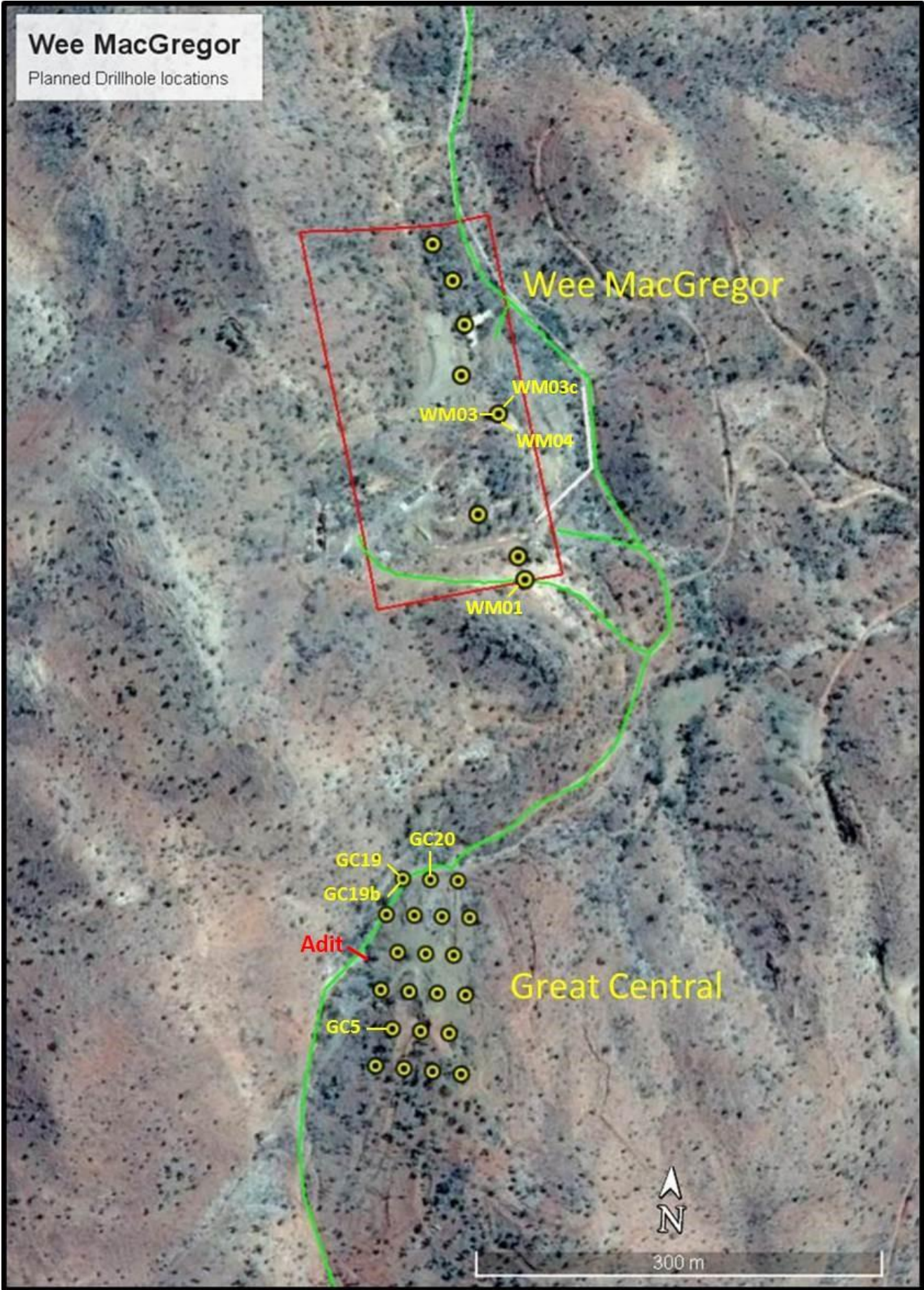
These results continue to demonstrate the suspected accessory gold and cobalt endowment in addition to the known copper in the deposit, refer Map 1 for drill hole locations (holes drilled have names labelled, holes still pending do not).

Initial assays have been done on two metre composite samples in order to reduce costs. Any of the composite samples returning elevated grades will be re assayed on one metre intervals as required.

Drilling progress was hindered due to difficult ground conditions and equipment breakdown, but the drilling completed suggests that the size of this copper-cobalt -gold system is significantly larger than the original resource.

The newly discovered mineralisation in the Great Central area together with evidence from historic excavation has been encouraging and has allowed a more focussed drill hole plan to be designed with an anticipated resultant overall reduced cost of the programme (upon completion).

Drilling is expected to continue during quarter 1 2019 with the aim of completing the planned program to allow updated resource estimation during quarter 2.



Map 1. Planned hole locations (un-named) and holes drilled to date (named).

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 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 December 2018 quarter, the Company announced that it had received commitments from institutional, sophisticated and professional investors to raise \$1.6 million (**Placement**).

PAC Partners Securities Pty Ltd (**PAC Partners**) acted as Lead Manager for the placement and the Placement was strongly supported by Hartleys Limited (**Hartleys**).

The Placement was carried out through the issue of approximately 106.6 million new fully paid ordinary shares with an issue price of \$0.015 (1.5 cents) per share. The issue of placement shares was completed utilising the Company's placement capacity under ASX Listing Rule 7.1 and 7.1A.

The Placement increased the Company's cash position to provide sufficient financial capacity for the Company to accelerate planned exploration works at the Olympic Domain tenements and provide working capital to identify and assess further opportunities.

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

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	-	*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
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 5224	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")

31 December 2018

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	(70)	(390)
(b) development	-	-
(c) production	-	-
(d) staff costs	(77)	(150)
(e) administration and corporate costs	(243)	(414)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	11
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	(383)	(943)

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	-	-

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	1,484	1,484
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	1,484	1,484

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,338	1,898
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(383)	(943)
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)	1,484	1,484
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,439	2,439

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	1,439	338
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Short term deposits	1,000	1,000
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,439	1,338

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	75
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 for the December 2018 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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Mining exploration entity and oil and gas exploration entity quarterly report

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	500
9.2	Development	-
9.3	Production	-
9.4	Staff costs	100
9.5	Administration and corporate costs	200
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	800

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:



Date: 31 January 2019

Company Secretary

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.