

March 2020 Quarterly Activities Report

Highlights for the March 2020 Quarter

- CGG undertaking a detailed review of the 1D inversion results from the magnetotelluric (MT) survey at Horse Well to produce a 3D inversion model for enhanced target definition prior to deep drilling.
- An extensive soil geochemistry survey (>450 samples) was conducted over the southern part of the Pernatty C area to further investigate potential for “Mt Gunson style” mineralisation.
- A Resistivity and Induced Polarisation (IP) survey was conducted over the southern part of the Pernatty C area to support potential for “Mt Gunson style” mineralisation.
- Key tenements (EL6118, EL6119 & EL6120) in the Lake Torrens area were successfully renewed (without size reduction) with all tenements in the project area in good standing.
- All tenements within the Horse Well and Pernatty C (Mt Gunson) areas were maintained in good standing with no reductions in area.
- All tenements in Queensland (Wee MacGregor, Mt Gordon, Success and Mt Cobalt) were maintained in good standing and included a partial relinquishment (14 sub-blocks) of ground at Mt Cobalt.
- Mining Proposal and Mine Closure Plan for the Pyramid Lake (WA) gypsum project continued to advance with key Flora, Fauna and Invertebrate studies completed.

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

Olympic Domain Tenements

Horse Well Area

The 1D inversion results from the magnetotelluric (MT) survey conducted at Horse Well identified the presence of a major “conductive zone” in the 600 – 900 m range, which may reflect the presence of sulphides within an IOCG environment.

CGG were engaged to validate Zonge’s 1D inversion results from the Horse Well MT survey and generate a 3D inversion model with a particular focus on the recent infill survey area (Figure 1). It is expected that the 3D inversion model will provide a more accurate picture of the “conductive zone” and ensure that exploration drilling is positioned for optimum outcomes.

The outcomes from this validation work are expected in the current quarter.

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Directors

Avi Kimelman – Non-executive Chair
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CEO

Andrew Graham

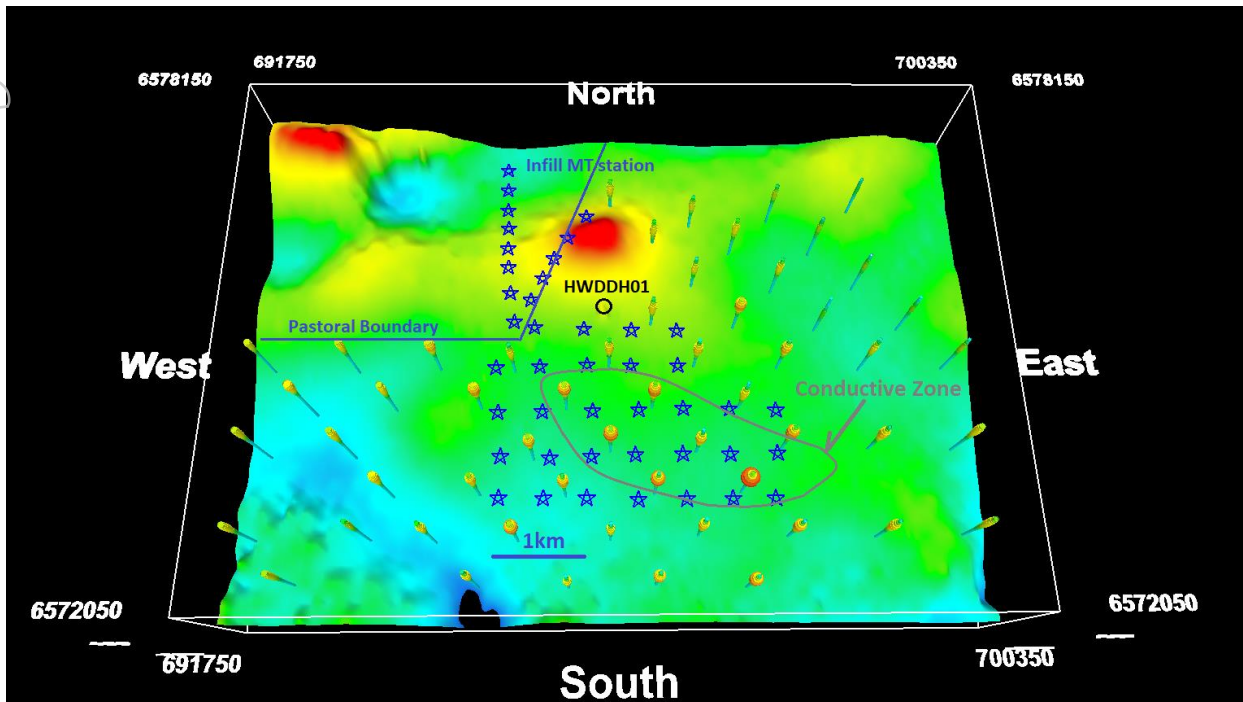


Figure 1: Infill magnetotelluric survey (blue stars) within the Horse Well area showing “conductive zone” and location of existing drill hole (HWDDH01).

Pernatty “C” Area

During the period the Company engaged the services of Fireant Resources Pty Ltd to undertake a Resistivity and Induced Polarisation (IP) survey over the southern part of the Pernatty “C” (EL5970) area to further investigate the potential for “Mt Gunson style” mineralisation. Fireant Resources also conducted soil and rock chip geochemical sampling at the same time to streamline activities and control costs.

Multiple resistivity and IP traverses were completed over the southern part of Pernatty “C” during February and March 2020 and a total of 460 combined soil and rock samples were collected. Numerous calcrete outcrops were observed and mapped. Figure 2 shows the location of samples collected and mapped outcrops of calcrete. The electrical resistivity and IP geophysics survey lines were conducted over areas of known geophysical anomalism, including magnetic and gravity highs/lows as well as areas of observable outcrop.

The geophysics survey utilised the FlashRES-Universal 96 data acquisition system developed by ZZ Resistivity Imaging, Australia. Long survey lines of up to 630 metres in length (with 10m electrode spacing) provided a survey comprising 61 channels (64 electrodes); and short survey lines of up to 96 metres in length (with 3m electrode spacing) provided a survey comprising 29 channels (32 electrodes). Data has been acquired both through conventional arrays i.e. Wenner, Schlumberger; and ZZ unconventional arrays. The ZZ array is far more advanced than other conventional arrays as it acquires data from a continuous spread of electrodes, avoiding traditional acquisition pattern limitations. The final result is a true resistivity distribution map rather than the traditional apparent resistivity map or curve. This allows easier and more accurate interpretation. Data Inversion of the survey has been processed using ZZ’s 2.5D inversion techniques.

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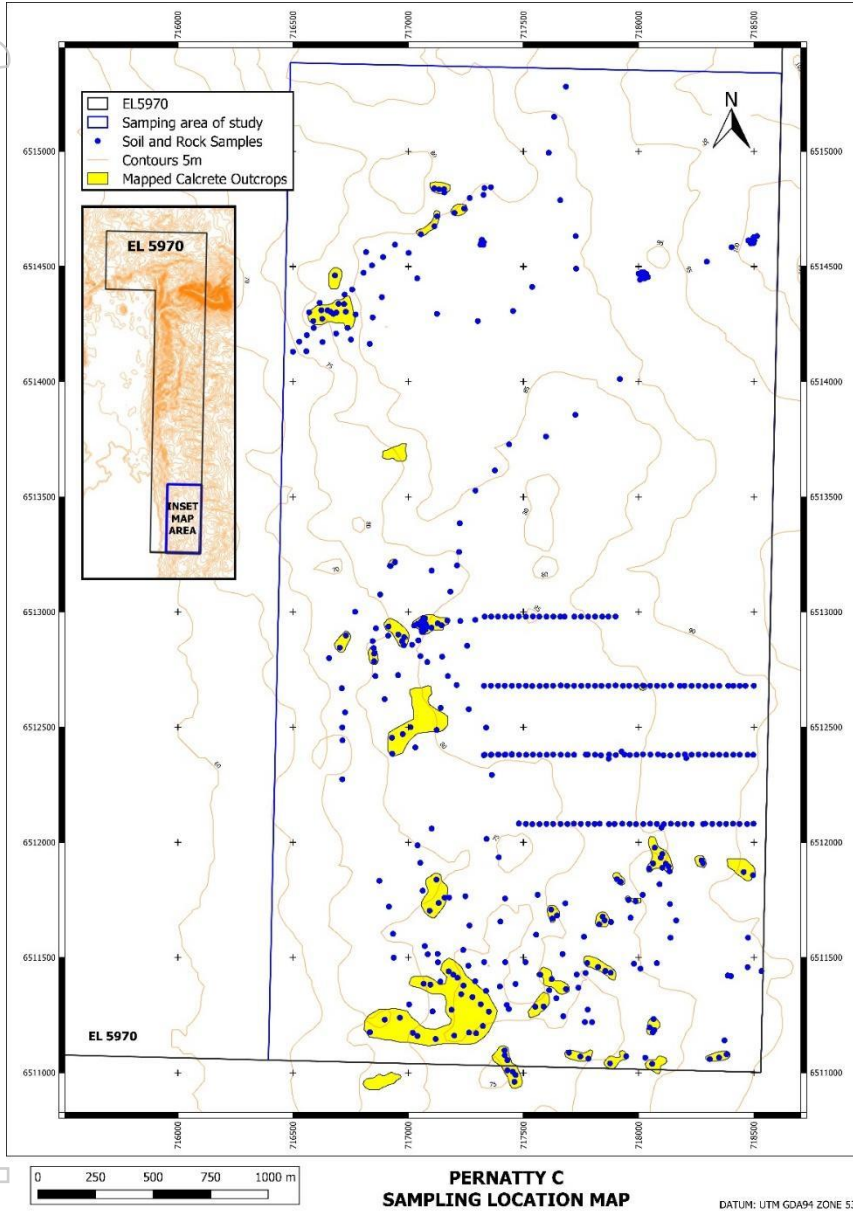


Figure 2: Location of soil and rock sampling within the south-eastern part of Pernatty "C" (EL5970).

The results of the geophysical survey is shown in Figure 3a (ZZ Array), Figure 3b (Schlumberger Array), and Figure 3c (Wenner Array).

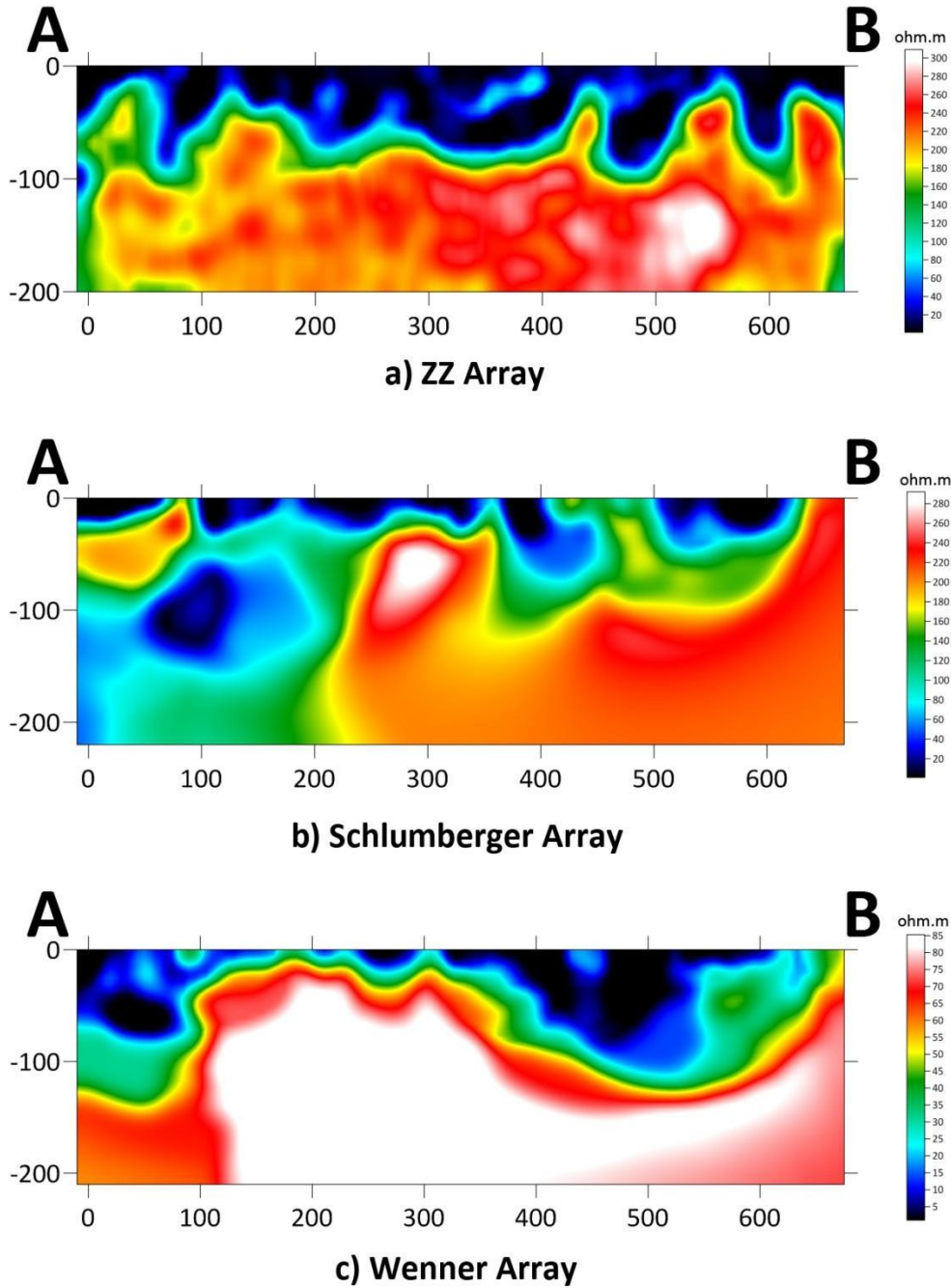


Figure 3: Results of geophysical survey showing true resistivity in ohm metres using the a) ZZ Array b) Schlumberger Array and c) Wenner Array.

Further geophysical survey lines are currently being processed and the soil and rock chip geochemical assays will be available in late April to early May 2020.

Prior to the second anniversary date, the Company provided notice to Olympic Domain and its advisors that the Company has completed its expenditure requirement relating to the Stage 2 earn-in (51%). Olympic Domain and its advisors are in the process of reviewing the expenditure and have provided initial correspondence to the Company, which the Company has responded to. The Company believes that it has completed all requirements in accordance with the Stage 2 earn-in and will be working with Olympic Domain to ensure that its interest is registered.

The Company engaged in very beneficial communications with the Kokatha Aboriginal Corporation (KAC) and the external administrator (Peter McQuoid) during the period and despite the external administration still being in place business is now able to progress. The Native Title Mining Agreement (NTMA) is in place and the Company is now able to proceed with higher impact exploration activities, subject to the completion of the associated Heritage Survey. This will enable the Company to advance work on all of the South Australian (Olympic Domain) tenements including the flagship Horse Well Project which holds the potential for a major IOCG target.

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).

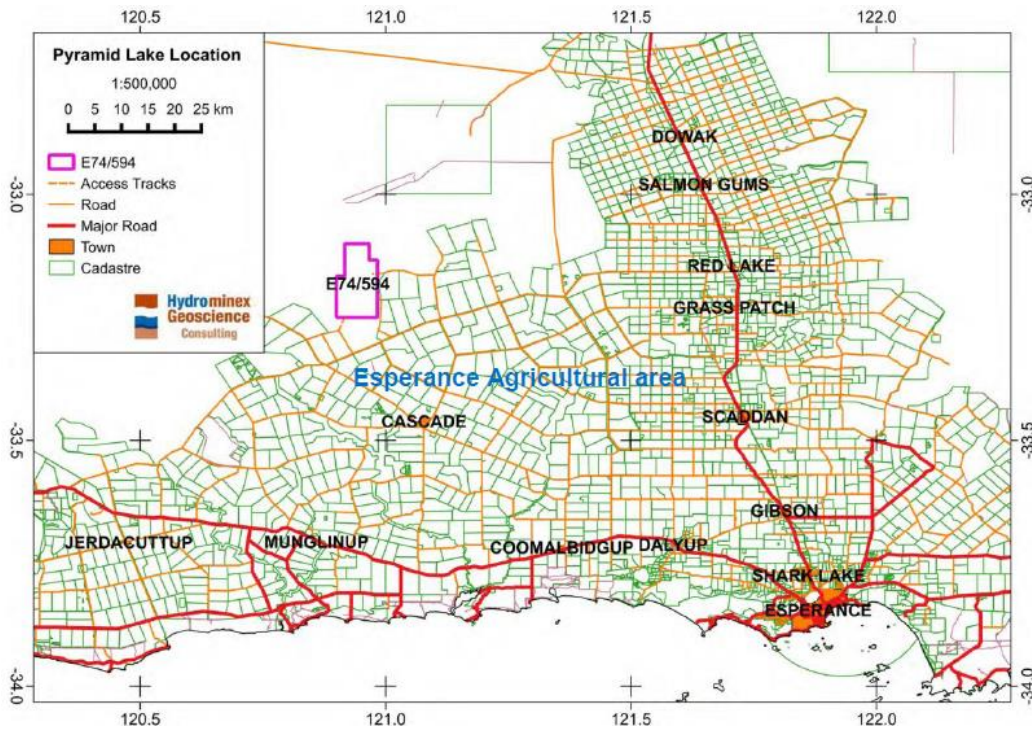


Figure 4: Location of Cohiba’s Pyramid Lake Exploration Licence (from Hydrominex 2018).

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.

The CEO is spearheading the completion of the Mining Proposal and Mine Closure Plan for Small Operations concurrent to the Mining Lease application.

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the Mine Closure Plan for Small Mining Operations have been completed and are acting as a guide for the main documents.

The Company continued to engage with the Esperance Tjaltjraak Native Title Aboriginal Corporation (ETNTAC) via the CEO, Mr Peter Bednall on all Native Title and Heritage matters and has established a good working relationship. The Company has been invited to a face-to-face meeting with the ETNTAC Board and Elders once the COVID-19 travel restrictions are lifted.

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 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.

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.

During the period the Company undertook a partial relinquishment (14 sub-blocks) of the ground held at Mt Cobalt Mine (EL26379) and submitted an Annual Report and Expenditure statement for the period April 26, 2019 to April 25, 2020.

All the Queensland tenements are currently in good standing.

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Corporate

The following corporate matters were carried out during the period:

Funding

The Company is conscious of its cash position and is working with numerous parties who have expressed interest in investment.

Withdrawal of Share Purchase Plan (SPP)

On 23 February 2020 the Company announced a proposed SPP which was subsequently postponed on 3 March 2020. As a result of the recent volatile market and COVID-19 conditions, a decision to withdraw the previously announced SPP and proceed with the non-renounceable rights issue was announced on March 30, 2020.

Non-renounceable Rights Issue

On 30 March 2020, the Company announced that it intends to undertake a non-renounceable pro rata offer to acquire 1 new fully paid ordinary share in Cohiba for every 2 shares held at a record date to be determined at an offer price of \$0.004 (0.4 cents) per share, each with 1 free-attaching option (**Rights Issue**) to raise approximately \$1.35 million (before costs of the Rights Issue). The maximum number of fully paid ordinary shares to be issued will be 332,307,121.

The Company lodged its Rights Issue Prospectus on 7 April 2020.

Each free-attaching option is intended to have an exercise price of \$0.01 (1 cents), expiry date 2 years from the issue date and will, upon exercise, entitle the holder to one ordinary fully paid share in the Company. The Company reserves its rights to have the options listed in due course. Details of the Rights Issue will be set out in a prospectus expected to be lodged on or about 6 April 2020.

The Company will use the proceeds of the Rights issue for the exploration and working capital purposes. The Company reserves its rights to amend the timetable.

Proposed Issue of Options to CHKO Option Holders

The Company previously announced that the CHKO listed options were due to expire on 18 April 2020, with each option being exercisable at \$0.018 (1.8 cents). On 18 April 2020 a total of 429,635,367 CHKO options lapsed unexercised.

The Board is conscious of the fact that a significant portion of these option holders have been patient and loyal supporters of the Company for some time.

As previously announced to ASX on 30 March 2020, the Company is proposing to make an offer, subject to shareholder approval, to all holders of CHKO options at a record date, being 7:00pm on 18 April 2020, to enable them to subscribe for 1 new option for every 2 CHKO options held having an exercise price of \$0.01 (1 cent) per new option, at an issue price of \$0.001 (0.1 cents) per new option raising approximately \$214,800, if fully subscribed. The new options will have the same terms as free-attaching options proposed to be issued through the Rights Issue.

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The issue of these options is subject to and conditional upon:

- Shareholders approving the issue of these options (with separate shareholder approvals to be sought to issue these options to related parties who hold CHKO).
- The Company obtaining all other required approvals and/or waivers.

A notice of general meeting has been despatched to shareholders including all necessary approvals for the proposed issue of options to CHKO option holders, with the meeting being called for 11am on 22 May 2020.

Appendix 5B related party payments

The following related party payments have been included in Section 6 of the accompanying Appendix 5B for the March 2020 quarter:

- \$85,531 was paid in relation to the settlement of directors' fees and salaries. It is noted that Directors fees will reduce in the coming quarters, as announced on 24 February 2020;
- \$14,000 was paid to Carraway Corporate Pty Ltd, an entity associated with Chairman Mr Avi Kimelman, in relation to consulting services as announced on 24 February 2020; and
- \$1,849 was paid to Nova Minerals Limited, an entity associated with Chairman Mr Avi Kimelman, in relation to office rental costs.

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

* Subject to final confirmation of stage 2 earn-in.

For and on behalf of the Board:

Mordechai Benedikt
 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 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 Months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(86)	(282)
(e) administration and corporate costs	(54)	(221)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(138)	(499)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(314)	(423)
(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 (9 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)	-	-
2.6	Net cash from / (used in) investing activities	(314)	(423)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(4)	(4)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	8
3.10	Net cash from / (used in) financing activities	(4)	4

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	734	1,196
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(138)	(499)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(314)	(423)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	4

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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 (9 Months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	278	278

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	278	735
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	278	735

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

101

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

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

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.

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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(138)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(314)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(452)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	278
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	278
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.62

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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: Yes, Cohiba Minerals Limited expects that, overall, it will continue to have the current level of net operating cash flows for the time being. Like most other junior explorers on the ASX, it will experience negative operating cash flows until it enters production.

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: Cohiba Minerals has alternatives to raise further cash to fund its operations and has recently announced a Non-renounceable Rights Issue (Rights Issue) seeking to raise a maximum of \$1.33 million, before costs. Subject to acceptances received, the Directors will have the capacity to place any shortfall shares following the closure of the Rights Issue.

The Company also retains full placement capacity under ASX Listing Rules 7.1 and 7.1A.

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

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: Yes, the Company expects to be able to continue its operations and meet its business objectives on the basis that it expects to be able to secure funding as described in the answer to Question 2 above.

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.

30 April 2020

Date:

Authorised by: By the board

(Name of body or officer authorising release – see note 4)

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.

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