



ASX CODE: CHK

TO: COMPANY ANNOUNCEMENTS OFFICE  
ASX LIMITED

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DATE: 28 APRIL 2017

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## QUARTERLY REPORT – 31 MARCH 2017

### Highlights for the March 2017 Quarter

- Exploration Licence E74/593 was granted to Charge Lithium Pty Ltd.
- Company entered into a Binding Terms Sheet to acquire 100% of the issued capital of Cobalt X Pty Ltd.
- Heavily oversubscribed private placement announced to raise \$1,443,000.
- Rights Issue launched on a 1 for 6 basis seeking to up to approximately \$515,000.
- Appointment of Technical Management Consultant.

Cash at the end of the quarter was approximately \$658,000. The net cash inflow for the quarter was approximately \$168,000.

### Charge Lithium Acquisition Update

On 9 October 2016, the Company completed the acquisition of 100% of the shares in Charge Lithium Pty Ltd (**Charge**). On 3 February 2017, the Company issued a further 3,500,000 fully paid ordinary shares (**Shares**) to vendors of Charge Lithium Pty Ltd in accordance with the Share Sale Agreement executed between the Company and the vendors following the granting of Exploration Licence Application E74/593 (**Mt Cattlin Central Lithium Project**).

During the quarter the Company appointed Olaf Frederickson, a leading geological consultant experienced in lithium, base and precious metals, iron ore and mineral sands as its technical consultant to the Company's Lithium and Cobalt project portfolio.

On 18 August 2016, the Company announced that it had obtained a waiver of ASX Listing Rule 7.3.2 to permit the issue of shares to the vendors of Charge Lithium in tranches over 18 months after the date of the meeting. The waiver permits the Company to issue of up to 14,000,000 Shares to the Charge vendors more than 3 months after the date of the general meeting.

**Registered Office** Level 4, 100 Albert Road, South Melbourne, Victoria 3205  
**Phone** 03 9692 7222 **Fax** 03 9077 9233 **Web** www.cohibaminerals.com.au  
**ACN** 149 026 308 **ABN** 72 149 026 308

### ISSUED CAPITAL

357,447,574 Fully Paid Shares  
150,635,367 Listed CHKO Options

### DIRECTORS

Mr Mordechai Benedikt (Chairman)  
Mr David Herszberg (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

The waiver has been granted on the following condition:

- The Shares are issued to the Charge vendors no later than 20 March 2018, subject to approval at the shareholder's meeting.
- The milestone which must be satisfied for the Shares to be issued are not varied.

As at the date of this report, the Company has issued a total of 10,500,000 Shares pursuant to this waiver with a remaining 3,500,000 Shares yet to be issued.

The remaining Shares to be issued are subject to the grant of the exploration licences E45/4767, E45/4768 and E45/4769 (collectively the **Pilgangoora Central Lithium Project**).

Work to date has involved a preliminary assessment of the all tenements in the portfolio resulting in a ranking of prospectivity and exploration priority. During the period the Company focussed its initial review of the Pyramid Lake (E74/594), Ravensthorpe (E74/593) and Jerramungup (E70/4861) exploration licences. The Company announced the initial findings of the preliminary assessment in April 2017.

### **Proposed Acquisition of Cobalt X Pty Ltd**

On 20 February 2017, the Company announced that it had executed a Binding Terms Sheet (**Term Sheet**) to acquire 100% of the issued capital of Cobalt X Pty Ltd (**Cobalt X**) subject to satisfaction of conditions which include successful due diligence and relevant shareholder and regulatory approvals (**Proposed Transaction**).

Cobalt X is an Australian proprietary company involved in the business of minerals exploration which has made applications for the following mining licence and mineral exploration licences pursuant to the Mineral Resources Act 1989 (QLD):

- mining licence application ML 100115 (**Mt Cobalt Stockpile Project**);
- exploration licence application EPM26377 (**Mt Gordon Mine Area 1**);
- exploration licence application EPM26376 (**Mt Gordon Mine Area 2**);
- exploration licence application EPM26380 (**Success Mine Area 1**); and
- exploration licence EPM26379 (**Mt Cobalt Mine Area**).

The above are collectively referred to as the **Licence Applications**.

Cobalt X has also represented to the Company that it holds 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 a vat leach processing plant in the Mt Isa region (referred to as the Lady Jenny processing plant). The nature and status of these contractual Project Rights will form part of the Company's due diligence enquiries.



(Figure 1: Map of Cobalt X Project Locations)

### Key Terms of Proposed Transaction

In accordance with the Term Sheet, the Company proposes to issue up to 150,000,000 fully paid ordinary shares to the Cobalt X vendors (**Consideration**) as follows:

- 75,000,000 Shares issued at completion of the Proposed Transaction at a deemed issue price of \$0.013 (1.3 cents) per share of which 37,500,000 will be subject to voluntary escrow period of 12 months from date of issue;
- up to a further 75,000,000 Shares at a deemed issue price of \$0.013 (1.3 cents) per share (**Milestone Shares**) issued within 10 business days of satisfaction of the following conditions:
  - 37,500,000 Shares issued following announcement to the ASX an Inferred Mineral Resource in accordance with Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (**JORC Code**) (including cumulative production) of not less than 6,000 tonnes of material at a minimum grade of 0.6% Cobalt on the Mt Cobalt Stockpile Project prior to the date which is 12 months from grant of the mining licence; and
  - 37,500,000 Shares following Cohiba announcing to ASX that the first ore has been processed at the Lady Jenny processing plant (which milestone shall necessarily require that Cobalt X has entered into a binding formal agreement to acquire the rights to the Lady Jenny processing plant) provided that announcement must be made prior to the date which is 36 months from the date of the Terms Sheet.

The Company has also agreed to issue 80,000,000 options (having the same terms as the Placement Options) to advisors in connection with the facilitation and implementation of the Proposed Transaction, the issue of which is subject to shareholder approval and conditional upon successful completion of the Proposed Transaction.

In recognition of costs and fees incurred (or to be incurred) by Cobalt X in prosecuting the License Applications and the Proposed Transaction, Cohiba agreed to pay Cobalt X the sum of \$50,000 (**Payment**) on execution of this Terms Sheet. The Payment will be non-refundable except where this Terms Sheet (or the formal documentation) is terminated by Cohiba in connection with a breach by either Cobalt X or the Cobalt X vendors.

As noted above, completion of the transaction is subject to the Company obtaining all required third party, regulatory, shareholder approvals, and ASX waivers necessary to effect the Proposed Transaction.

During the quarter the Company carried out its due diligence on the Proposed Acquisition and on 26 April 2017, announced that it had successfully completed its due diligence. The Company is currently progressing the finalisation of its notice of meeting documents and liaising with the vendors of Cobalt X Pty Ltd with respect to entering into a Share Sale Agreement.

### **Greenbushes Lithium Project**

On 22 April 2016, the Company entered into a Heads of Agreement (**HOA**) in which the company has an option to acquire 100% interest in two exploration licence applications which comprise the Greenbushes Lithium project. During the quarter, the Company was advised that E70/4843 was granted.

In accordance with the terms of the HOA, the Company is entitled to exercise its Option at any time after the Exploration Licences the subject of the Applications are granted by the Western Australian Department of Mines and Petroleum. Upon exercising its Option and completion of transfer of legal and beneficial ownership of the Explorations Licences to the Company, it must issue a further 3,500,000 fully paid shares to the Vendors.

The Company is awaiting further information from the Department in relation to the proposed grant of the licences and reviewing its option given the recent proposed acquisition of Cobalt X Pty Ltd. Further updates will be provided once the review has been conducted.

### **Capital Raisings**

During the quarter the Company received commitments from professional and sophisticated investments for a placement of 111,000,000 fully paid shares at an issue price of \$0.013 (1.3 cents) per share to raise \$1,443,000 before costs. Each share was to be issued with a free-attaching option exercisable at \$0.018 (1.8 cents) and expires three years from their issue date. A total of 31,000,000 Shares were issued in accordance with the Company's placement capacity with ASX Listing Rule 7.1 on 23 February 2017. The remaining 80,000,000 fully paid shares and 111,000,000 free-attaching options were issued on 27 April 2017, following shareholder approval sought at a general meeting held on 19 April 2017.

On 21 March 2017 the Company announced a non-renounceable pro-rata Rights Issue (**Rights Issue**) of 1 new share for every 6 Shares held on the Record Date at an issue price of \$0.013 (1.3 cents) per new share, with 1 free-attaching unlisted option for each new share issued, to raise up to approximately \$515,259 before costs. Each unlisted option is exercisable at \$0.018 (1.8 cents) and

expires three years from their issued date, with the issue date being 18 April 2017. Subsequent to the end of the quarter the Company confirmed on 12 April 2017 that the Rights Issue was oversubscribed and scaled back accordingly.

### **Interests in Mining Tenements**

Below is a summary of the mining tenements held by the Company at the end of the quarter:

<b>Mining Tenement</b>	<b>Location</b>	<b>Beneficial Percentage held</b>	<b>Interest acquired/farm-in or disposed/farm-out during the quarter</b>
E70/4861	Western Australia	100%	-
E70/4862	Western Australia	100%	-
E74/593	Western Australia	100%	Granted during quarter
E74/594	Western Australia	100%	-

**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 MARCH 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2)	(5)
(b) development	-	-
(c) production	-	-
(d) staff costs	(57)	(222)
(e) administration and corporate costs	(155)	(366)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(213)</b>	<b>(590)</b>

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	(6)	(121)
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(6)</b>	<b>(121)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	403	565
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	(16)	(17)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>387</b>	<b>548</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	490	821
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(213)	(590)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(121)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	387	548
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>658</b>	<b>658</b>

5. <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	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	658	490
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>658</b>	<b>490</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	57
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	

Payments to Directors and Director related entities during the March 2017 quarter for Director's fees payable.

7. <b>Payments to related entities of the entity and their associates</b>	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	

Nil

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.		

Nil

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	45
9.2 Development	-
9.3 Production	-
9.4 Staff costs	80
9.5 Administration and corporate costs	125
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>250</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
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	E74/593	Exploration Licence	-	100%

### 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: 28 April 2017

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.