



**ASX CODE: CHK**

**TO: COMPANY ANNOUNCEMENTS OFFICE ASX LIMITED**

**DATE: 26 April 2017**

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## **COBALT X TRANSACTION UPDATE**

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Cohiba Minerals Limited (ASX: CHK) (the **Company**) advises that following its ASX announcements dated 20 February 2017, 8 March 2017, 17 March 2017 and 6 April 2017 the Company has now successfully completed its due diligence investigations with respect to the proposed acquisition of Cobalt X Pty Ltd.

We are excited to have completed the legal and technical due diligence of the Cobalt X Project portfolio. The acquisition offers highly prospective and near term cobalt and copper production potential. They represent an outstanding opportunity for CHK as we continue to embark on enhancing our asset portfolio, which is aligned to technologically advanced metals.

The price of cobalt metal has recently increased to over US\$55,000.00 (AUD\$73,000.00) per tonne as global shortages of this vital input in the production of lithium-ion batteries has forced offtake customers and end-users to source new production opportunities.

The escalation in demand for lithium-ion batteries across the globe has created a significant requirement for high-grade cobalt and lithium, with a particular focus on sourcing consistent production from safe operating jurisdictions, such as Australia

The Company is now progressing to finalise its notice of meeting in order to send mail to shareholders for consideration of the proposed acquisition along with working with the vendors to finalise the execution of the Share Sale Agreement.

An updated timetable will be provided in the notice of meeting for shareholder's information.

### **ISSUED CAPITAL**

**277,447,574**

### **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**

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## About Cobalt X Pty Ltd

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):

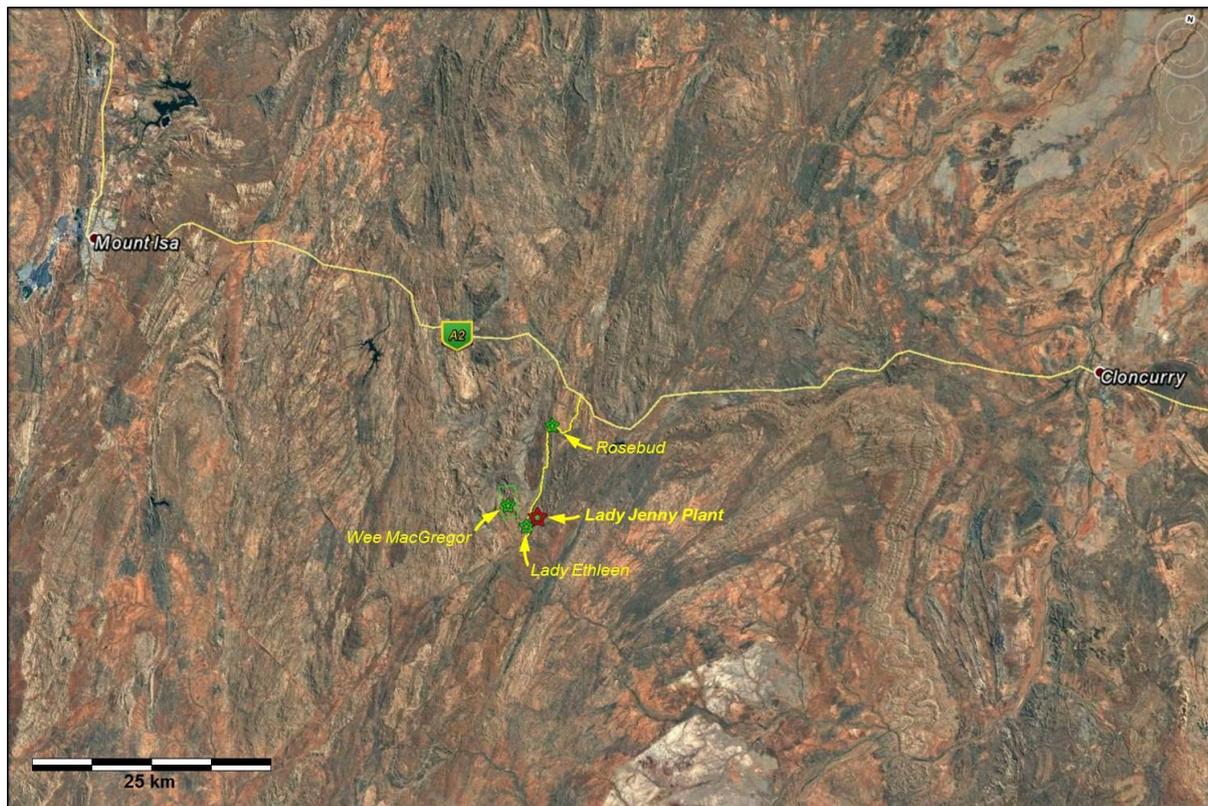
- mining licence application ML 100115 (**Mt Cobalt Stockpile Project**);
- exploration licence application EPM26377 (**Mt Gordon Mine Area 1**);
- exploration licence application EPM26376 (**Mt Gordon Mine Area 2**);
- exploration licence application EPM26380 (**Success Mine Area 1**); and
- exploration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

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



**(Figure 1: Map of Cobalt X Project Locations)**

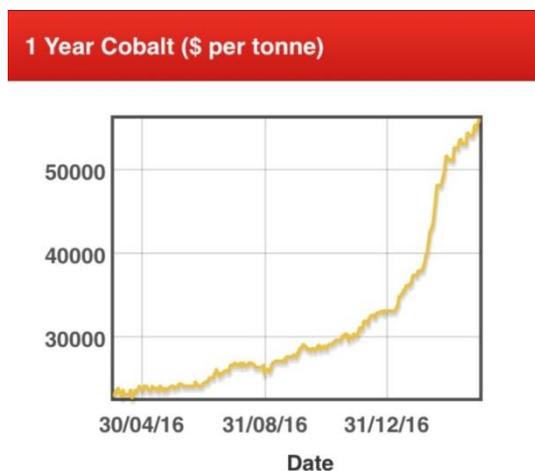
Cobalt X has also represented to the Company that it holds various contractual rights with third parties to facilitate the acquisition by it of additional mining and exploration projects and related plant and equipment (**Project Rights**) including rights to a vat leach processing plant in the Mt Isa region (referred to as the Lady Jenny processing plant).



(Figure 2: Map of Cobalt X Project Rights)

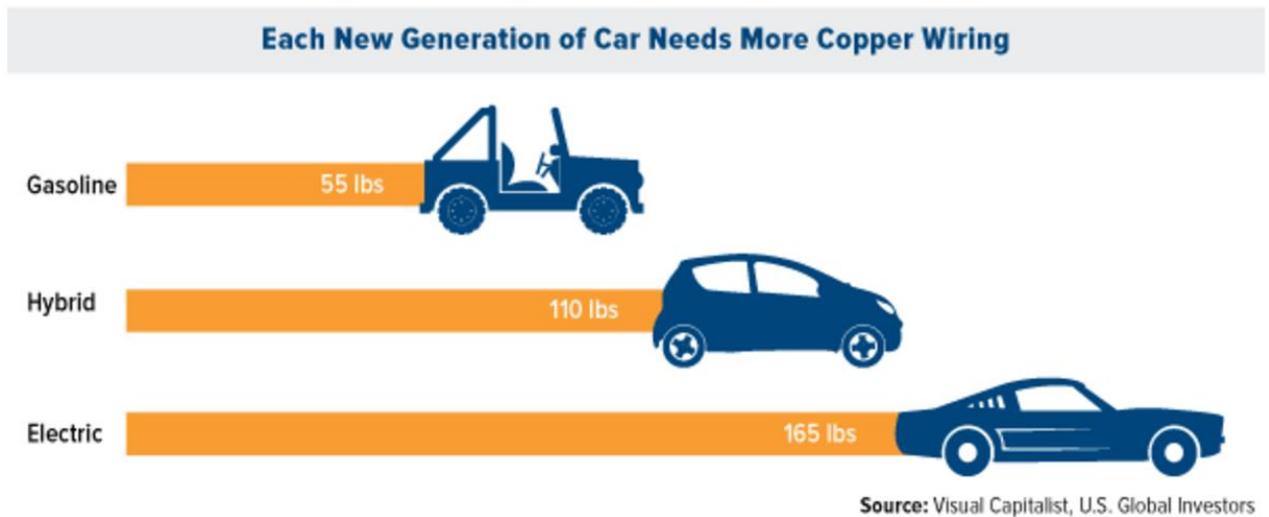
### About the Cobalt market

Cobalt is a key component of the battery chemistry for lithium ion batteries. In its 2016 market outlook industry group CRU has been reported as stating that, "the refined cobalt market will fall into a 3,000 tonne deficit this year following seven years of overcapacity and oversupply. CRU anticipates prices to increase onward into 2017 as global demand for refined cobalt exceeds the 100kt mark and mine and refined supply tightens". Current Cobalt resources and production are concentrated the Democratic Republic of Congo, which has been reported as accounting for over 55% of global Cobalt production. As a consequence of the industrial/strategic importance of Cobalt and the risks associated concentrated supply, Cobalt is classified as a critical raw metal by the EU and a critical commodity by Geoscience Australia, Australia's national agency for geoscience research. Cobalt is a LME traded commodity and the price of Cobalt has recently increased to over US\$55,000.00 (AUD\$73,000.00) per tonne, refer to the below graph (source: LME).



## About the Copper Market

According to energy policy group REN21's just-released Renewables 2015 Global Status Report, Global copper consumption is poised to increase not just because electricity demand is growing. New energy technologies typically require more of the red metal than traditional sources. Each megawatt of wind power capacity, for instance, uses an average of 3.6 tonnes of copper. Electric trolleys, buses and subway cars use about 2,300 pounds of copper apiece. Where we'll see the most significant growth, though, is in the production of hybrid and electric cars, which use two to three times more copper than internal combustion engines.



Commenting on completion of the legal and technical due diligence, Director of CHK, Mr Mordechai Benedikt stated:

“With the legal and technical due diligence now completed for the Cobalt X Project portfolio, we look forward to accelerating our Phase I exploration and development plans. Cobalt, lithium and Copper play a crucial role in the rapidly growing lithium-ion battery and electric vehicle sectors and our Company has secured a strategic portfolio of high grade projects in Australia to potentially feed this demand.”

### For further information, please contact:

Mordechai Benedikt  
Executive Chairman