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ASX: CHK

ASX Release

Cohiba Reviews IOCG Prospectivity of Olympic Domain Project

Highlights

- **Strategic review of the Olympic Domain Project which adjoins one of the biggest IOCG discoveries, has confirmed strong prospectivity for IOCG mineralization which warrants further investigation.**

- **Olympic Domain Project consists of three 'large-scale discovery potential' prospects:**
  - **Horse-Well:** Located 2km from Oak Dam West Discovery (425.7m @ 3.04% Cu & 0.59g/t Au, 346ppm U3O8)[1] in which Cohiba drilling has confirmed presence of major structures which have potential to host a large-scale IOCG deposit similar to Oak Dam West.
  - **Lake Torrens:** A mega-scale geophysical target which has 2-3x the geophysical signature of Oak Dam West sitting on major structural lineaments.
  - **Pernatty C:** Potential high-grade Zinc-Lead-Silver deposit which Cohiba believes drilling has potentially intercepted the edge of the source body – PSDDH01: 1m **@5.28% Zn**.

- **Cohiba has opened up its data room for each prospect and commenced negotiations with major mining companies to form a potential Joint Venture partnership to progress exploration efforts.**

- **The purpose of a potential Joint Venture will allow Cohiba to progress exploration across prospects with aim to make an Oak Dam West style discovery and extrapolate value for shareholders.**

- **In parallel, the Company has commenced its process of reviewing several business opportunities to identify and acquire new high potential projects within the resources sector.**

Cohiba Minerals Limited (ASK:CHK, OTCQB: CHKMF, 'Cohiba' or the 'company') is pleased to announce completion of a desktop review of the company's copper and gold prospectivity across its South Australian tenements. The desktop review has formed the basis on an updated strategic direction the Company will look to progress to maximise value for shareholders.

Chief Executive Officer, Faheem Ahmed commented:

"Cohiba has been well positioned with extensive exposure to highly prospective Copper and Gold assets which adjoin the biggest IOCG discovery in Australia in the last two decades. This is the first step in extrapolating value out of these key IOCG assets and we've compiled data which will be used for targeted exploration and discussions to seek a potential Joint Venture partnership with a major.

The Oak Dam Project hosts the same geophysical signatures, lithology and stratigraphy as other major IOCG discoveries. There's been over 5 million dollars expended by the previous management team into these tenements with extensive mapping and invaluable data to lead us close to the major source of mineralization. The data review shows how prospective these assets are which can potentially lead to a major discovery.

Cohiba has also commenced seeking potential business opportunities to generate value for shareholders"

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OLYMPIC DOMAIN PROJECTS

The Olympic Domain Projects consists of three key prospects located on three separate exploration licenses in South Australia – Horse Well, Lake Torrens, and Pernatty C.

These prospects are situated in one of the largest basins in the world – the Gawler Craton, which is host for mega-IOCG discoveries such as Oak Dam West, Olympic Dam and Carrapateena. These IOCG deposits react well to magnetic TLM and gravity survey due to hematite/magnetite being located at the core of these IOCG bodies. This makes detailed gravity work combined with structural geology an effective pathfinder for major IOCG discoveries, which Cohiba's desktop review has re-affirmed.

Horse Well – Holds all the characteristics required within a major IOCG deposit

A comprehensive review of all drilling and geological data at Horse Well has shown the prospect hosts all major features required within a large IOCG discovery which develops a compelling exploration target.

1. Large structural features

Cross-cutting faults have been confirmed from drilling at Horse Well which is a pre-requisite to hosting large IOCG bodies. Coupled with large intercepts of low-grade copper mineralisation (111.6m @ 0.27% Cu) which indicates large-scale historical fluid movement through the structural features. This is confirmation Cohiba is proximal to the source of mineralisation and the target is considerable in size.

2. Harsh transition from barren rock

Harsh transition from barren rock to low levels of mineralisation with brittle fractures and brecciation which is also highly promising of a large IOCG discovery and indicative drilling has also moved proximal to the source of mineralisation.

3. HEMQ (Hematite Quartz) Presence

HEMQ is a key marker which occurs abundantly to the Olympic Dam deposit. Not only was HEMQ present within Horse Well drill cores but was also visually identical to the HEMQ found at Olympic Dam.

4. Small intercepts of high-grade copper

Minor intercepts of high-grade copper such as 0.8m @12.15% Cu at Horse Well, is confirmation the large body of fluid which moved through the structure predominantly hosted copper – these small and high-grade intercepts are sections of fractional crystallization of the host fluid. Indicating the major deposit is copper abundant and the final deposition of fluids into an IOCG has occurred proximal to the latest round of drilling.

5. Numerous geophysical hotspots

Magnetic signatures have indicated numerous targets which align with gravity surveys. Due to structural dislocations, the host body does not always directly lie below the gravity high – i.e Oak Dam was discovered ~200m west of gravity high. Cohiba's desktop review has confirmed that the next step in exploration will focus on a major discovery ~200m away from gravity highs which is running parallel to faults.

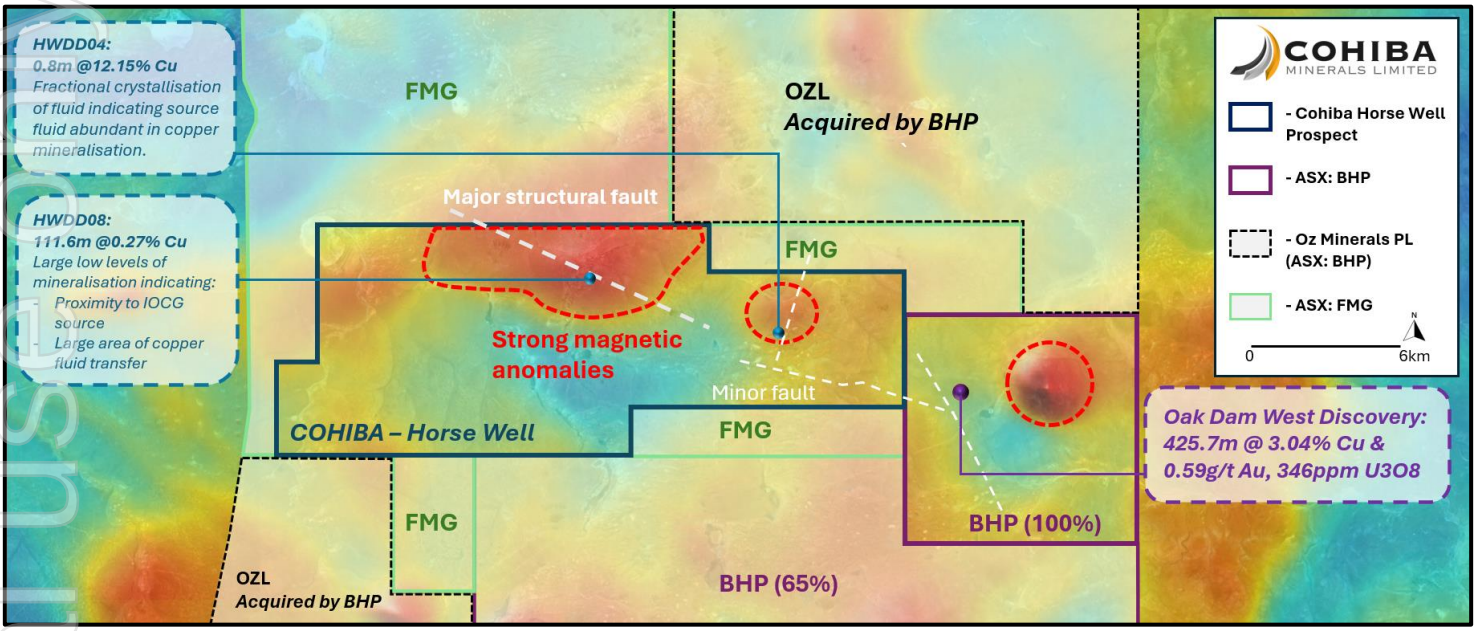

Figure 1: *Locality of Horse Well Prospect on a Total Magnetic Intensity (TMI) survey, with all adjoining tenements. Includes drilling highlights and early-stage minor faults and major discovered Horse Well Fault.*

As seen in Figure 1, Horse Well is surrounded by majors in one of the most sought after IOCG districts in Australia, host to one of the best national copper discoveries in the last two decades. Cohiba holds an incredibly lucrative position at Horse Well, which geologically has shown all the major markers of hosting a large IOCG deposit. Furthermore, drilling to date and analysis of the core has not resolved or explained the strong magnetic anomalies, which indicate the source of the magnetic anomalies which potentially host the IOCG body is yet to be discovered.

Cohiba's goal is to generate value for shareholders, hence the next natural step will be opening extensive data-room compiled at Horse Well to seek a major JV partner which will co-invest resources with Cohiba to fund and execute future exploration programs alongside Cohiba, with aims of making an Oak Dam West style discovery – allowing Cohiba to partially offset exploration risk while providing optionality to capturing upside upon a potential discovery.

Lake Torrens – Mega geophysical target, ideally located on a mantle disruption

Lake Torrens is perfectly placed on the annulus of major mantle disruptions which hosts Olympic Dam and Oak Dam West. Furthermore, Lake Torrens sits on the PD1 Lineament Corridor[2] which was used for targeted mineral exploration that famously led to the discovery of Olympic Dam – this is an incredibly rare co-incident which places this concession strategically on the cross-roads of two rare geological features which was analogous with Olympic Dam.

Over 500 geological lineaments were mapped by the late Tim O'Driscoll in Western Mining Corporation Exploration Division during the 1960s to 1980s which was used to target exploration programs – eventually laying the foundation of fundamental analysis which led to the discovery of Olympic Dam[3].

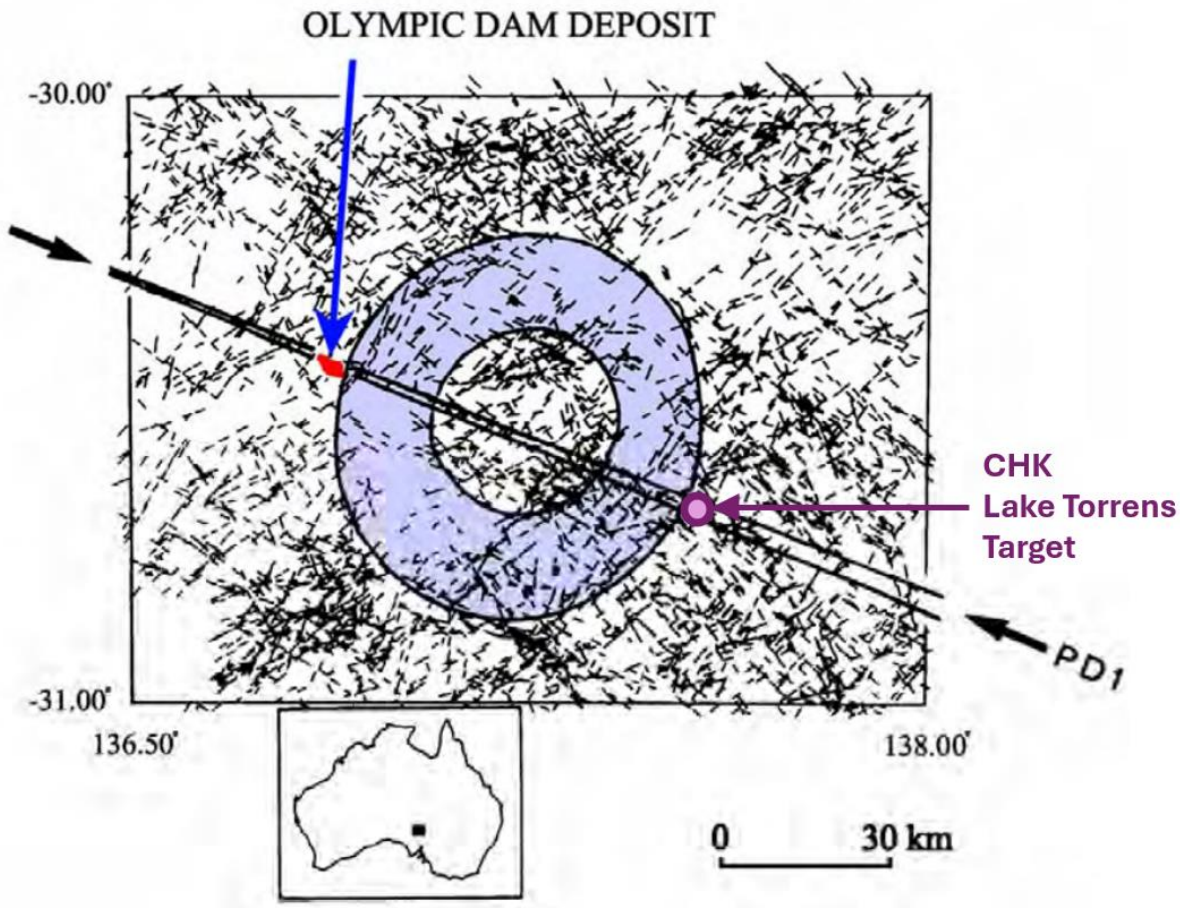

Figure 2: *Original mapping of Annulus theory around Olympic Dam according to Tim O'Driscoll, superimposed with PD1 lineament corridor interpreted by Tim O'Driscoll[2]. The location of Cohiba's Lake Torrens added to the map.*

Geophysical work alongside the unique structural placement of Lake Torrens has identified gravity targets which is ~2-3x the size of Oak Dam discovery itself.

Lake Torrens represents an area which has had little to no historic exploration, sitting at the cross section of two rare geological features – which only Olympic Dam shares the same two features, while displaying a mega geophysical target.

Despite being a high-risk greenfield target, Lake Torrens presents a remarkably exciting and unprecedented target to make a major discovery.

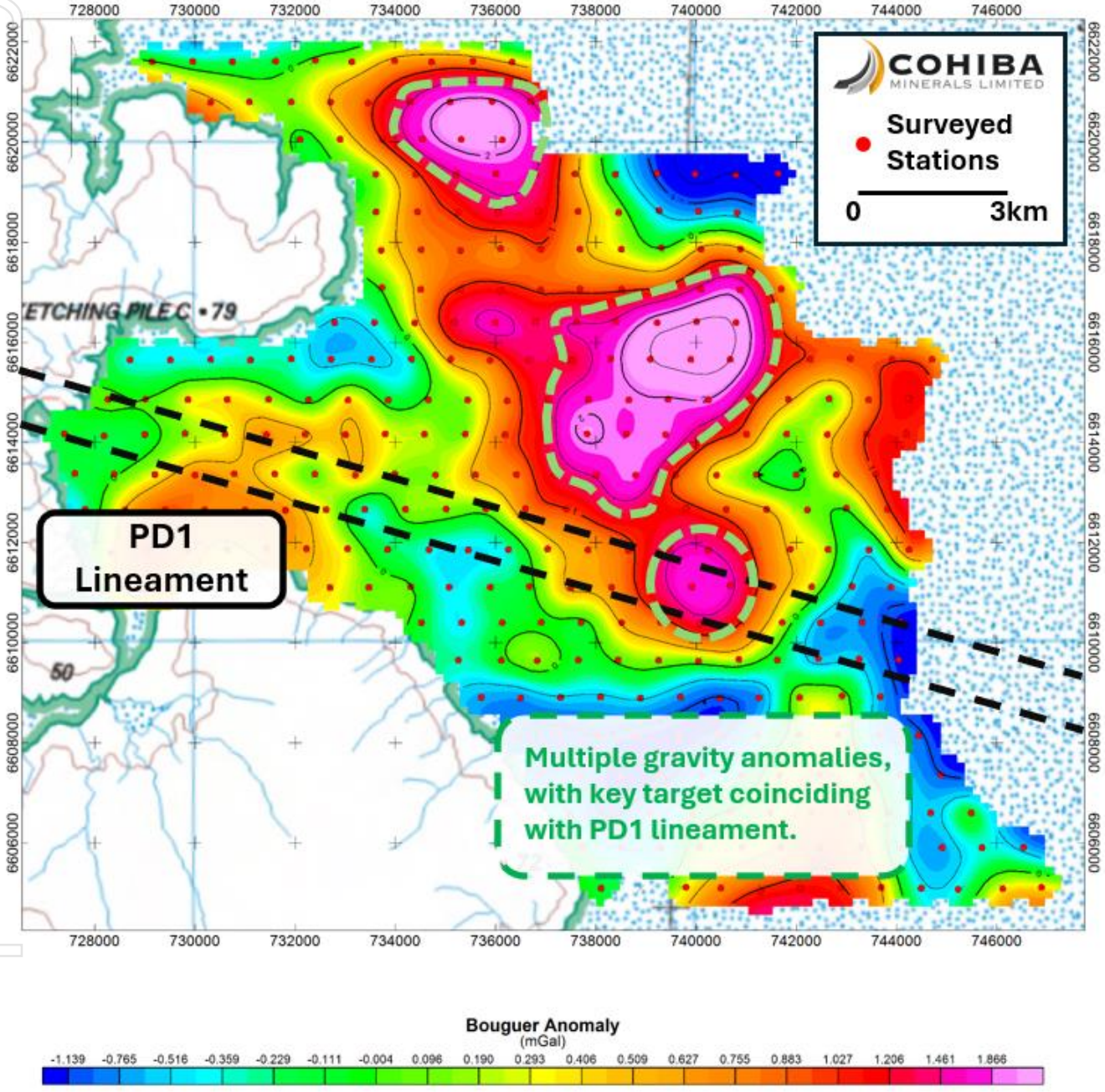

Figure 3: *Residual Gravity Survey taken on the Lake Torrens project area with the interpreted PD1 Lineament superimposed[2].*

Pernatty C – Lead, Silver, Zinc potential

Pernatty C presents a lead silver zinc and base metal target which drilling appears to have nicked the edge of a potential source body – intercepting 1m @5.28% Zn (PSDDH01). Review of geological logs and core data indicates this prospect requires follow up drilling to confirm if PSDDH01 was within the edge of the resource body and follow up to identifying the dimensions of the source body.

Pernatty C diversifies Cohiba's exposure from IOCG to a sediment hosted base metals project which can be divested separately from Horse Well and Lake Torrens.

The comprehensive desktop review conducted by Cohiba is the first step in re-directing the Company into more efficient and targeted exploration programs. Cohiba has collated and organised its data-rooms for each project and prospect, with compelling data which will be used for on-going JV negotiations.

For the Olympic Domain Project, Cohiba has stored kept all ~10,000m of core securely stored and has one of the most detailed geological databases for a junior explorer on these assets. The desktop review on Olympic Domain Project has shown incredible prospectivity to make a world-class discovery of similar nature to Oak Dam and Carrapateena. Cohiba believes the next natural step will be opening these data-rooms further and expand its discussions with more potential JV partners to find a suitable candidate to co-fund this asset and allowing Cohiba to progress its next stage of exploration within the Olympic Domain assets through to a potential discovery which will unlock maximum value for shareholders. This will reduce expenditure liability for Cohiba (as IOCG drilling is costly), while allowing Cohiba to progress exploration and providing the company optionality to capture upside value on the back of any potential world-class discovery.

- Ends –

This announcement has been approved for release by the Board of CHK.

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About Cohiba Minerals Limited

Cohiba Minerals Limited is listed on the Australian Securities Exchange (ASX) with the primary focus of investing in the resource sector through direct tenement acquisition, joint ventures, farm in arrangements and new project generation. The Company has projects located in South Australia, Western Australia and Queensland with a key focus on its Olympic Domain tenements located in South Australia.

The shares of the company trade on the Australian Securities Exchange under the ticker symbol CHK and on OTCQB Market under the ticker symbol CHKMF.

References

1. ASX: BHP Announcement dated 27th November 2018, "BHP copper exploration program update".
2. *Larry J. Robinson, 2007, The Spatial and Temporal Distribution of the Metal Mineralisation in Eastern Australia and the Relationship of the Observed Patterns to Giant Ore Deposits. University of Queensland.*
3. *Claoue-Long, J.C. 2014. O'Driscoll Lineament Maps of Australia. Geoscience Australia, Canberra.*