

2021 Exploration Strategy Overview – Olympic Domain Tenements

Highlights

- Cohiba's tenement package in the Gawler Craton contains substantial potential for IOCG deposits and is to be explored aggressively.
- The Company has budgeted for a proposed \$3.5m exploration program across its Olympic Domain tenements beyond existing activity.
- Exploration drilling accounts for ~77% of planned expenditure with up to 19,000m of drilling planned.
- Horse Well remains a primary target area with up to 12,000m of proposed additional drilling.
- Portfolio expansion opportunities to add fresh IOCG targets to the project pipeline currently being pursued.
- The Company is well capitalised to pursue its exploration strategy for 2021 with a cash balance of ~\$7m at 31 December 2020.

Cohiba Minerals Ltd (ASX: CHK) ('Cohiba' or 'the Company') is pleased to update the market with the following summary of its Exploration Strategy for 2021 on its Olympic Domain tenements in the Gawler Craton, the world's premier address for Iron Oxide – Copper – Gold (IOCG) deposits.

Cohiba's Andrew Graham commented: "The Company's recent exploration activities at its Olympic Domain tenements, particularly at Horse Well, confirm the exciting potential for IOCG discoveries there. The Company is planning an extensive program of exploration activity, including up to 19,000m of drilling, to further test for this potential. Financially, we are in a very strong position to pursue this objective over 2021 as well as take advantage of opportunities to grow our portfolio in the Gawler Craton."

Introduction

Following the exploration drilling undertaken in late 2020 over the Horse Well area, Cohiba has planned an extensive Program of Work (PoW) over the Horse Well, Pernatty C and Lake Torrens tenements ('Olympic Domain tenements') in 2021. Horse Well remains one of the Company's primary exploration target areas.

The approvals received from the Department of Energy and Mining, SA (E-PEPR) and the Kokatha Aboriginal Corporation (Heritage Survey) in 2020 still allow limited drilling to occur over the Pernatty C area and this is currently being pursued.

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However, additional drilling over the Pernatty C and Horse Well areas and initial drilling over the Lake Torrens area will require the generation and submission of another E-PEPR document and a further Heritage Survey under the guidance of the Kokatha Aboriginal Corporation and their nominated anthropological consultant. The Company intends to pursue this in 2021 to facilitate its additional proposed exploration activities.

In relation to the completed exploration drilling (2020 PoW) there are a number of technical investigations still underway, including:

- Extensive re-logging of the drill core in HWDD_03 and HWDD_04;
- Petrographic analysis of selected rock types in HWDD_03 and HWDD_04;
- Re-interpretation of the gravity and magnetics data over the Horse Well area; and
- Investigation into the potential of downhole electromagnetics at HWDD_04.

Given the deep-seated nature of the IOCG targets within the Olympic Domain tenements and associated drilling costs it was determined that additional technical investigations will be undertaken in conjunction with the drilling to optimise future target generation. These technical investigations will include:

- Detailed geophysics comprising gravity and/or magnetic surveys;
- Detailed analysis, interpretation and modelling of the gravity and magnetics data;
- Petrographic / petrological work;
- Whole rock geochemical analysis;
- Age dating of key rock types encountered during drilling; and
- Detailed logging of all drill core (additional to logging conducted at the drill site).

Where possible, corresponding documentation covering all three target areas (such as EPEPR, Heritage Survey etc.) will be incorporated and submitted jointly in order to manage costs as effectively as possible.

Strategic Rationale

Cohiba Minerals' intent is to discover IOCG deposits through the systematic exploration of the Olympic Domain tenements and through the acquisition of additional IOCG target areas within the Gawler Craton (SA). The Gawler Craton remains the premier district to search for IOCG deposits globally and exploration activities to date have confirmed the Company's landholding in the Gawler Craton contain substantial exploration potential.

Horse Well (Pernatty C)

The Horse Well area is a key strategic component within the Olympic Domain tenement package given its close proximity to BHP's Oak Dam West discovery where drilling has confirmed the presence of significant IOCG mineralisation. Drilling at the Horse Well Project has shown the presence of persistent, low-level copper mineralisation with some high-grade copper-gold intersections, hosted by a typical IOCG package of rocks (see ASX release, March 10, 2021 - High Grade Copper Intercepted at Horse Well Prospect <https://wcsecure.weblink.com.au/pdf/CHK/02351992.pdf>).

Further detailed investigation is required over the Horse Well area to gain a better understanding of the current drilling results and to define additional target areas for further drilling. One of the drivers behind the detailed investigations (i.e. petrology, petrography, age dating etc.) is to define future drilling targets more effectively given that they are deep-seated (>900m) with associated higher cost.

Pernatty C

The Pernatty C area is typically considered as having prospectivity for stratabound, copper-cobalt-silver mineralisation consistent with the nearby Mt Gunson mining area directly to the west. These historic deposits have, more recently, been considered as analogous to the extensive copper deposits found in the Zambian copper belt (ZCB) and exploration efforts from neighbouring companies are heavily focussed in this area. Cohiba intends to investigate the potential for ZCB-style mineralisation over the Pernatty C area but is also aware that there is still potential for IOCG deposits to occur at depth. The initial intent is to investigate the ZCB-style potential whilst also assessing geophysical, geological and drill hole data (stratigraphy, petrology etc.) for potential IOCG markers.

Lake Torrens

The Lake Torrens area is considered to have prospectivity for IOCG deposits and the work completed to date by Cohiba shows a number of coincident gravity and magnetic anomalies that warrant further investigation. A number of possible targets are also associated with a major interpreted structural lineament which is also postulated as a bounding structure for the massive Olympic Dam IOCG deposit (BHP). The IOCG potential at Lake Torrens is compelling and as such Cohiba will pursue all avenues necessary to gain approval for a PoW over this area.

Portfolio Expansion Opportunities

There is a huge amount of exploration activity in the Gawler Craton focused on IOCG mineralisation. Cohiba has the opportunity to acquire interests in a number of additional IOCG target areas within the Gawler Craton and is currently assessing these opportunities as they would significantly underpin Cohiba's intent to become a major IOCG player in the region.

These potential target expansion opportunities are designed to provide diversity and optionality in Cohiba's portfolio. As these discussions / negotiations progress and targets are ranked there may be a shift in the exploration priorities which may impact on the proposed PoW (i.e. potential reduction in exploration expenditure on existing Olympic Domain tenements for example). However, these discussions are still in the preliminary stage.

Programs of Work (PoW)

The proposed PoW for the Olympic Domain tenements comprise the outstanding activities at the Horse Well and Pernatty C areas and additional exploration activities across the entire Olympic Domain tenement package. The Company has planned for over \$3.5M worth of exploration activity across the tenement package, with up to \$2.4M earmarked for the Horse Well Project. Olympic Domain Pty Ltd, will contribute 20% of actual expenditure as part of its obligations under the Farm-In Agreement.

Horse Well Area

The key zones of interest at Horse Well are those adjacent to drill holes HWDD_03 and HWDD_04 where persistent low-level copper mineralisation was encountered within a package of rocks consistent with an IOCG environment. In HWDD_04 there were also discrete, high-grade copper-gold intersections (up to 12.15% Cu and 2.26 g/t Au) worthy of follow-up (see ASX release, March 10, 2021 - High Grade Copper Intersected at Horse Well Prospect <https://wcsecure.weblink.com.au/pdf/CHK/02351992.pdf>).

Cohiba is planning to build on its exploration efforts, by undertaking additional drilling in areas adjacent to these drill holes and over other potential target areas as shown in Figure 1.

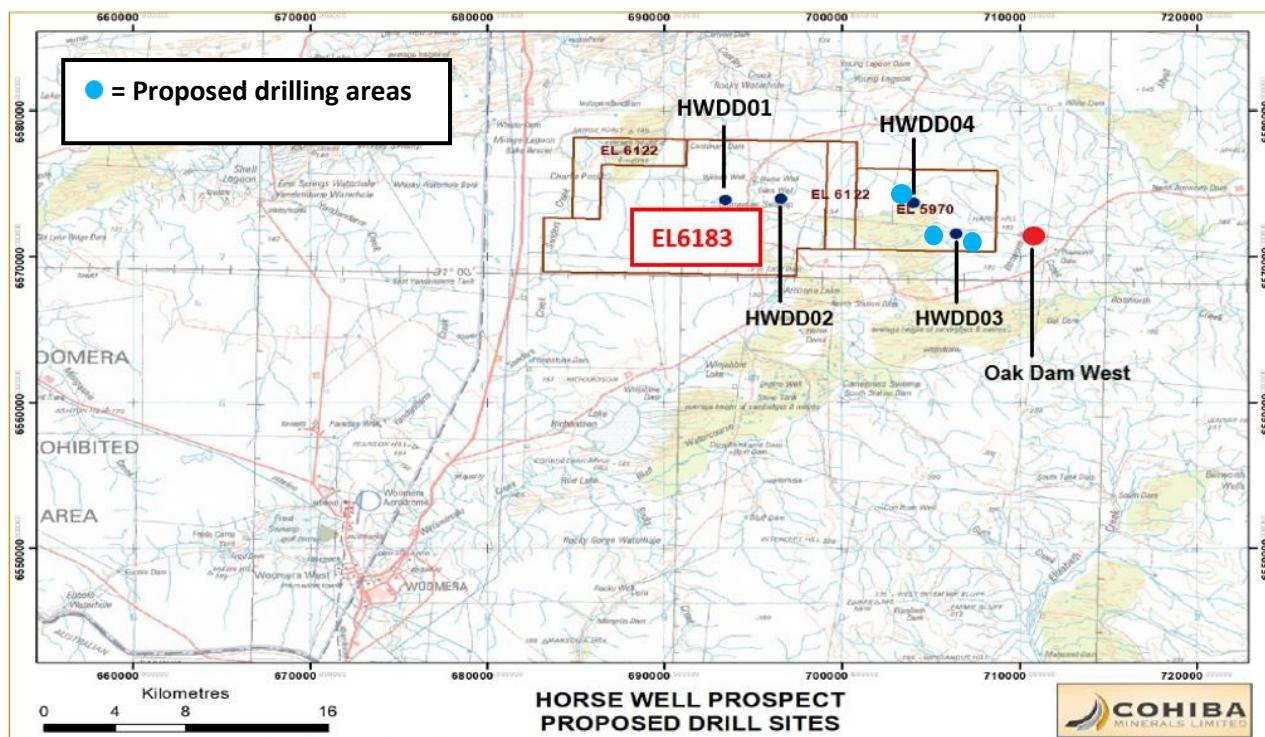


Figure 1: Areas for future investigation (drilling) within the Horse well area.

Pernatty C Area

The Pernatty C area is prospective for Zambian Copperbelt (ZCB) mineralisation (Cu-Co-Ag) and lies directly east of the well-known Mt Gunson copper mining district. The current limited drilling program (aiming at commencing in near future) is targeting ZCB-style mineralisation within 200m from the surface. Figure 2 shows the location for potential future drilling over the Pernatty C area.

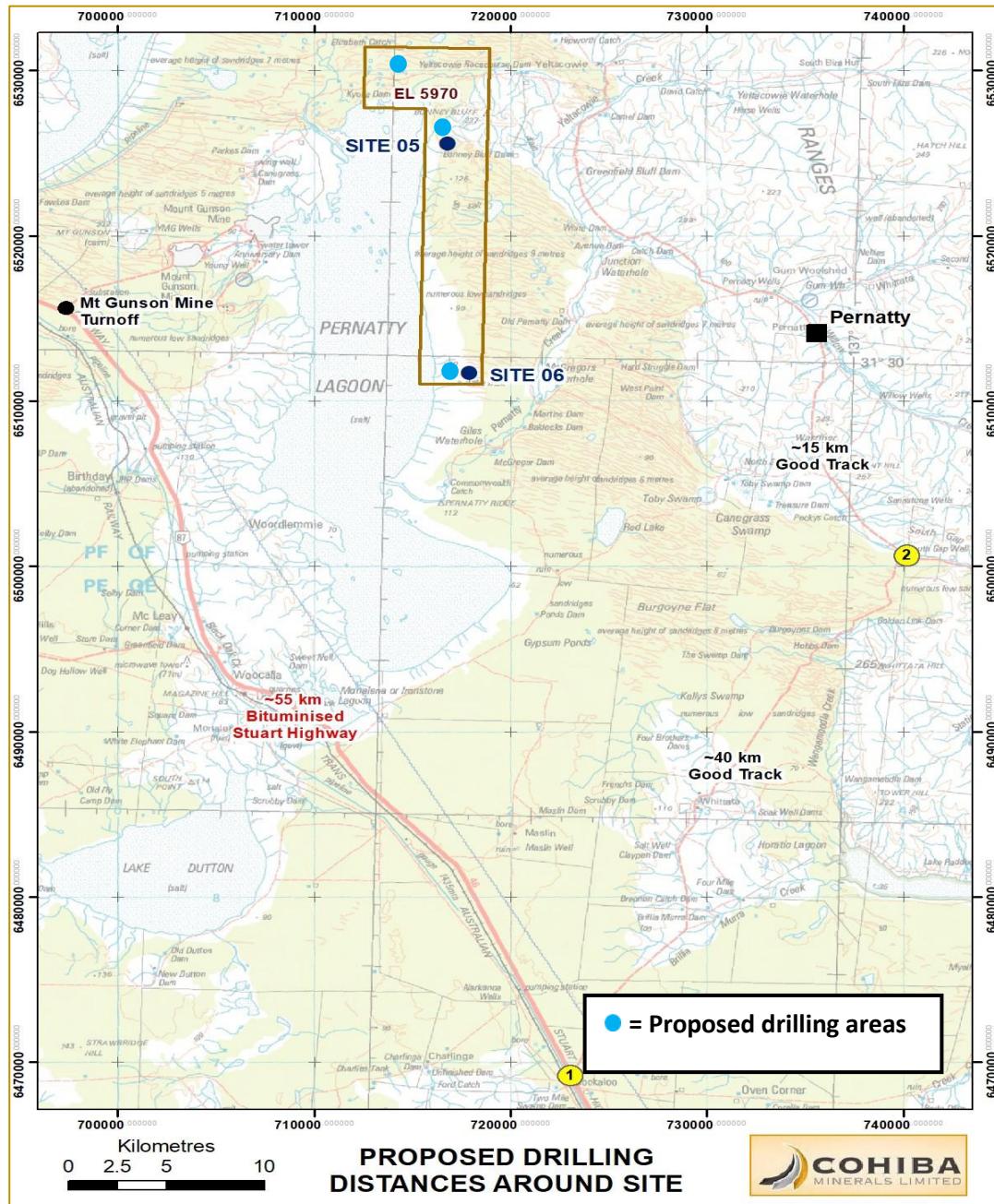


Figure 2: Areas for proposed investigation (drilling) within the Pernatty C area.

The Pernatty C area is also prospective for IOCG mineralisation and as such provision has been made to extend one or more of the drill holes to test for possible IOCG markers beneath the current ZCB-style target zones.

Lake Torrens Area

The Lake Torrens area shows significant prospectivity for IOCG type deposits with both gravity and coincident gravity and magnetic anomalies being identified (Figure 3). There is also a strong correlation over part of the target area with a major postulated structural lineament which intersects the giant Olympic Dam IOCG deposit (Figure 4).

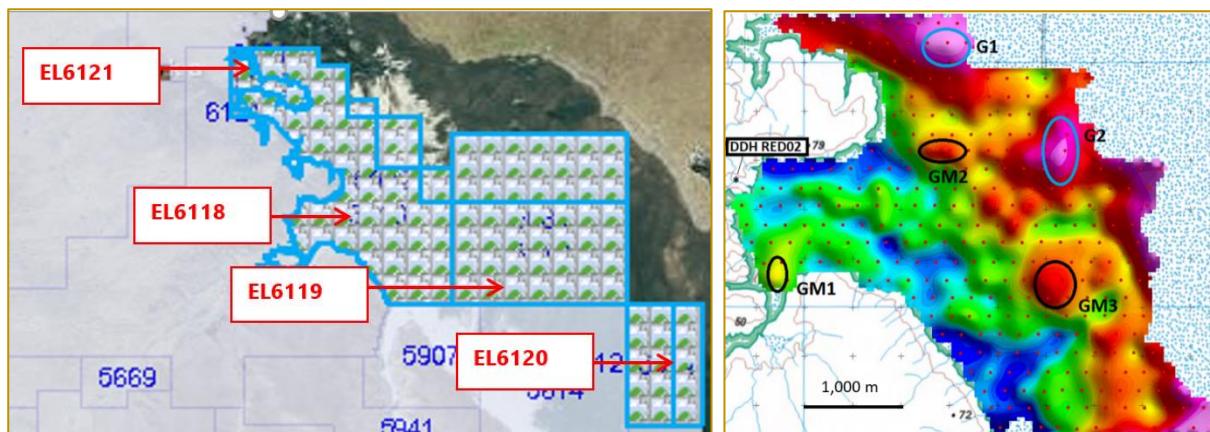


Figure 3: Lake Torrens tenements (LHS) and areas within EL6118 and EL6119 showing potential targets with GM1 – GM3 gravity targets with coincident magnetic targets and G1 – G2 strong gravity targets.

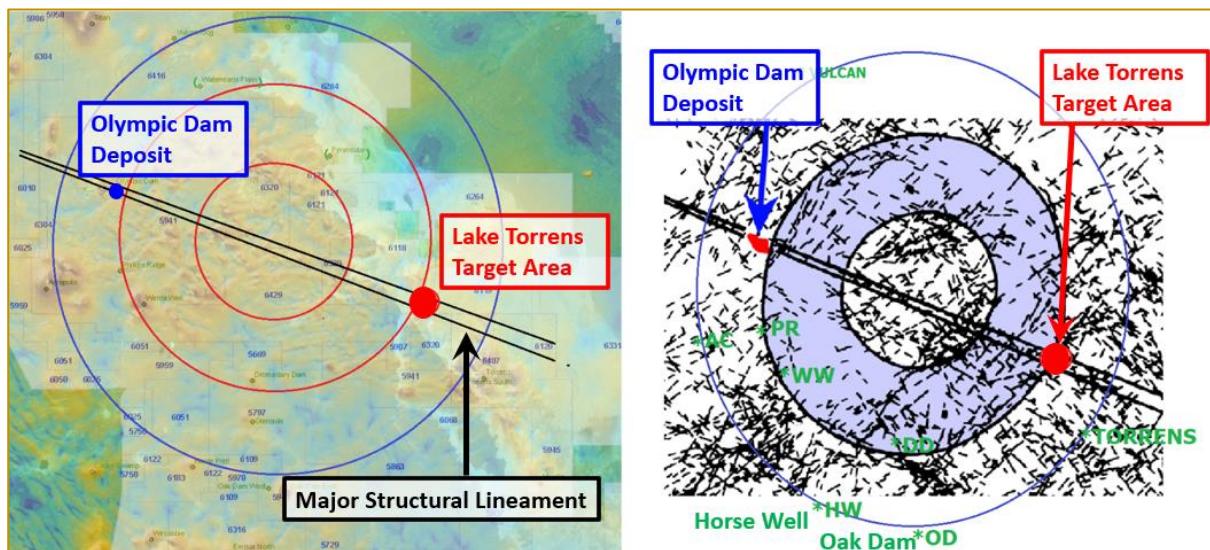


Figure 4: Major structural lineament which bounds the giant Olympic Dam deposit and potential IOCG target at Lake Torrens. Base diagram (RHS) from Robinson Larry J. (2007): The Spatial and Temporal Distribution of the Metal Mineralisation in Eastern Australia and the Relationship of the Observed Patterns to Giant Ore Deposits. A thesis submitted for the degree of Doctor of Philosophy. The University of Queensland, Australia.

The PoWs will be regularly reviewed as they progress and modified as required to ensure that funds are optimised for the greatest chance of exploration success.

- Ends

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

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