

# COHIBA MINERALS LIMITED

[ACN 149 026 308]

("the Company")

## OPTIONS PROSPECTUS

An offer of unlisted options, each with an exercise price of \$0.01 (1 cent), expiry date of 22 May 2022 and which, upon exercise, entitle the holder to one fully paid ordinary share in the Company (**New Options**), at a subscription price of \$0.001 (0.1 cents) per New Option (the **Offer**).

New Options are being offered to holders of the recently expired class of listed options of the Company (**CHKOs**) who had an address in Australia on the register of CHKOs as at 7:00pm on 18 April 2020 (**Record Date**) on the basis of one New Option for every two CHKOs held as at the Record Date.

Holders of CHKOs who had an address in Australia on the register of CHKOs as at the Record Date are referred to in this Prospectus as **Eligible Holders**.

### **THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY**

It is important that you read this Prospectus carefully before accepting the Offer. If you do not understand its contents you should consult your stockbroker, accountant or other professional adviser.

**The securities offered under this Prospectus are considered speculative**

**CORPORATE DIRECTORY**

**COHIBA MINERALS LIMITED (ACN 149 026 308)**

**Directors**

Avi Kimelman (Non-Executive Chairman)  
Mordechai Benedikt (Executive Director)  
Nochum Labkowski (Non-Executive Director)

**CEO**

Andrew Graham

**Company Secretary**

Justin Mouchacca

**Registered Office**

Level 21, 459 Collins Street  
Melbourne Victoria 3000  
Telephone: +61 3 8630 3321

**Share Registry and Address for Return of Acceptances**

Automic Group  
GPO Box 5193  
Sydney NSW 2001

**ASX Code**

CHK

**Website**

To view annual reports, shareholder and company information, news announcements, background information on the Company's business and historical information, visit [www.asx.com.au](http://www.asx.com.au) and search code "CHK".

## IMPORTANT NOTICES

This prospectus (**Prospectus**) is dated 1 June 2020. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission (**ASIC**) on the same date. Neither ASIC nor ASX Limited (**ASX**) nor their respective officers take any responsibility as to the contents of this Prospectus.

Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, the Company reserves the right to close the Offer early, to extend the Closing Date and/or any other dates, or not to proceed with the Offer.

**The Offer closes at 5:00pm (Melbourne time) on 15 June 2020, which date may change without notice. The Board reserves the right to issue New Options prior close of the Offer in response to valid subscriptions.**

This Prospectus is for an offer of convertible securities to acquire continuously quoted securities (the New Options). Accordingly this Prospectus is not required by the Corporations Act to contain all the information normally required to be set out in a document of this type.

This Prospectus incorporates by reference certain information contained in documents lodged with ASIC. A document incorporated in this Prospectus may be obtained free of charge from the Company during the application period.

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of past and present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its Directors and management. Although the Company believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of the Company, its Directors or officers, or any person named in this Prospectus can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will prove to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements.

Except to the extent required by law, the Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

The forward-looking statements contained in this Prospectus are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. The key risk factors of investing in the Company are set out in Section 4 of this Prospectus.

No person is authorised to give any information or make any representation in connection with this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No account has been taken of particular objectives, financial situation or needs of recipients of this Prospectus. Recipients of this Prospectus should have regard to their own objectives, financial situation and needs. Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and risks associated with investing. Independent expert advice should be sought before any decision is made to apply for New Options.

All monetary amounts in this Prospectus are in Australian dollars unless otherwise stated.

All dates and times are dates and times in Melbourne, Victoria, Australia unless otherwise stated.

The securities offered under this Prospectus are considered speculative.

## TIMETABLE

Record Date (7:00pm Melbourne time)	18 April 2020
Lodgement of Prospectus	1 June 2020
Offer Period opens	1 June 2020
Closing Date (5:00pm Melbourne time)	15 June 2020

*The above dates should be regarded as **indicative only and may change without notice**. All dates and times are Melbourne, Victoria, Australia time. Subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws, the Company reserves the right to change the above dates, close the Offer before the date stated above, extend the Closing Date and subsequent dates or not proceed with the Offer. The Company reserves the right to extend the Closing Date by making an announcement of the extension to ASX.*

*The Board reserves the right to issue New Options prior to the Closing Date (including as extended) in response to valid subscriptions. For the avoidance of doubt, in the event the Offer is not finalised before 22 June 2020, the Board specifically reserves the right to issue New Options in response to valid subscriptions from Directors or their related entities prior to the Closing Date to comply with the timing conditions imposed by the ASX Listing Rules. Further details are set out in section 9.1.*

*No securities will be issued on the basis of this Prospectus after 1 July 2021, being the expiry date of this Prospectus.*

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## KEY INVESTMENT RISKS – SUMMARY

Please read and consider this Prospectus in full and in conjunction with any matters which have or may be referred to in the Company's ASX announcements before subscribing for New Options under the Offer.

Section 4 of this Prospectus contains an overview of some of the key risks associated with investment in the Company, including risks associated with the Offer and the New Options as set out below:

- Value of securities and share market conditions, including effects and potential effects of the current COVID-19 pandemic.
- There being no guarantee the share price of the Company will be greater than the exercise price of New Options prior to the Expiry Date.
- The risk that shareholders who do not receive New Options will be diluted upon exercise of New Options.
- The exercise of New Options may have taxation consequences.

Section 4 of this Prospectus also contains an overview of the specific business risks of the Company, a selection of which are set out below:

- Risks associated with the grant or renewal of tenements and access to land.
- Risks in sourcing additional future funding.
- Joint venture and farm-in risks.
- Operational risks.
- The availability of personnel.
- Third party risks.
- Environmental and government policy risks.

In addition, there are risks of a more general nature, such as economic and market conditions.

A more detailed overview of some of the key risks associated with the Company and its operations are set out in section 4 of this Prospectus.

## ABOUT THE OFFER - SUMMARY

The following summary provides only a limited overview of the Offer. Further detail is set out in this Prospectus. Please read and consider this Prospectus in full before making any decision regarding subscribing for New Options under the Offer, exercising existing options or otherwise investing in the Company.

Topic	Summary	For more information see:
What is the Offer?	An offer of unlisted options ( <b>New Options</b> ), each with an exercise price of \$0.01 (1 cent), expiry date of 22 May 2022 and which, upon exercise, entitle the holder to one fully paid ordinary share, at a subscription price of \$0.001 (0.1 cents) per New Option ( <b>Offer</b> ).  New Options are only being offered to Eligible Holders (defined below).	Section 1.1
Am I an Eligible Holder?	You are an Eligible Holder if you held the recently expired class of listed options of the Company ( <b>CHKOs</b> ) at 7:00pm (Melbourne time) on 18 April 2020 ( <b>Record Date</b> ) and you had an address in Australia on the register of CHKOs as at the record date.	Section 1.1
What are the terms of New Options?	New Options have an exercise price of \$0.01 (1 cent), expiry date of 22 May 2022 and will, upon exercise, entitle the holder to one fully paid ordinary share in the Company.  Full terms of New Options are set out in section 8.  New Options will be unlisted. The Company will apply for quotation (listing) of shares issued upon exercise of New Options.	Sections 1.1 and 8
What is the issue price?	Each New Option has an issue (subscription) price of \$0.001 (0.1 cents).	Section 1.1
What is my entitlement to New Options?	If you are an Eligible Holder, you are entitled to subscribe for one New Option for every two CHKOs you held as at the Record Date.	Section 1.1 and personalised Entitlement and Acceptance Form
What is the purpose of the issue of New Options?	New Options are being offered to reward Eligible Holders, a significant proportion of whom have been patient and loyal supporters of the Company for some time.	Section 2
What is the purpose of the Offer?	The Offer is being made under this Prospectus to facilitate the secondary trading of shares issued upon exercise of New Options (if any).	Section 2
How much will be raised from the Offer?	Approximately \$208,640 will be raised if the Offer is fully subscribed. If the Offer is not fully subscribed then a lower amount will be raised.  Funds raised are proposed to be used to meet the costs of the Offer and otherwise for general working capital. Funds raised upon exercise of New Options (if any) will be used to meet general working capital requirements at the time of exercise.	Sections 1.1 and 2
Is there a minimum subscription amount?	There is no minimum subscription amount.	Section 1.1
Can I trade my entitlement to New Options?	No, the Offer of New Options is non-renounceable.	Section 1.2
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 1.3
What if I am not an Eligible Holder?	If you are not an Eligible Holder and do not received a personalised Entitlement and Acceptance Form then you will be unable to participate in the Offer.	Section 1.1

Topic	Summary	For more information see:
How do I accept the Offer?	<p>Only Eligible Holders who receive a personalised Entitlement and Acceptance Form from the Company may subscribe for and receive New Options.</p> <p>If you are an Eligible Holder and have received an Entitlement and Acceptance Form from the Company to participate in the Offer, to accept the Offer complete and return the form to the Company by no later than 5:00pm on 15 June 2020 (being the <b>Closing Date</b>).</p>	Section 5
Are there risks associated with investment in the Company?	<p>There are risks associated with investment in the Company. These include risks relating to the Company, risks relating to the Offer and risks associated with financial investment generally.</p> <p>Please carefully consider the risks and the information contained in this Prospectus in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements before making any decision regarding applying for or acquiring shares or otherwise making an investment in the Company.</p>	Section 4
What will be the effect of the Offer on control of the Company?	<p>The Offer will not affect the control of the Company prior to the issue of shares upon exercise of New Options (if any). Shares issued upon exercise of New Options (if any) will result in the dilution of holdings of shareholders of the Company who do not subscribe for, receive and exercise New Options.</p>	Section 3.2
How and when will I know if my application was successful?	<p>Holding statements confirming the issue of New Options are anticipated to be dispatched on or about 19 June 2020.</p>	Section 5
What are the tax implications of participating in the Offer?	<p>Taxation implications will vary depending upon the specific circumstances of the investor. You should obtain professional advice as to the taxation treatment applicable to you.</p>	Section 10
Where can I find more information about the Company?	<p>For more information on the Company please see the Company's website (<a href="http://www.cohibaminerals.com.au">www.cohibaminerals.com.au</a>) or refer to the Company's ASX announcements (available on the ASX's website <a href="http://www.asx.com.au">www.asx.com.au</a>).</p>	Section 7
What if I have questions about the Offer or how to apply for New Options?	<p>You should consult your stockbroker, accountant, solicitor or other professional adviser before making any decision regarding participating in the Offer.</p> <p>Questions concerning the Offer can be directed to Justin Mouchacca, Company Secretary on +61 3 8630 3321.</p>	Section 16

## 1. Details of the Offer

### 1.1 The Offer

Cohiba Minerals Limited [ACN 149 026 308] (ASX:CHK) (**CHK** or **the Company**) offers holders of the recently expired class of listed options of the Company (**CHKOs**) with an address in Australia in the register of CHKOs as at 7:00pm on 18 April 2020 (**Record Date**) the opportunity to subscribe for one unlisted option (**New Option**) for every two CHKOs held by the Eligible Holder at the Record Date.

Each New Option has a subscription price of \$0.001 (0.1 cents), exercise price of \$0.01 (1 cent), expiry date of 22 May 2022 and, upon exercise, entitle the holder to one fully paid ordinary share in the Company.

The offer of New Options to Eligible Holders is referred to herein as the **Offer**.

The Offer is only made to and capable of acceptance by Eligible Holders. If you are not an Eligible Holder then the Offer is not made to you and you are not able to subscribe for and receive New Options under the Offer.

Eligible Holders may accept their entitlement to New Options in whole, in part or not at all. Details of the entitlement of an Eligible Holder is set out in their personalised Entitlement and Acceptance Form accompanying a copy of this Prospectus.

Assuming all Eligible Holders take up their entitlements to New Options in full, an aggregate of approximately 208,641,452 New Options will be issued (subject to rounding) for an aggregate maximum subscription amount of approximately \$208,641. A lower amount will be raised if the Offer is not fully subscribed.

A total of 12,352,583 CHKOs were held by holders with addresses outside of Australia as at the Record Date. The Company has determined it is unreasonable to make the Offer to holders of CHKOs at the Record Date outside Australia on the basis of the number of holders (12), number of New Options those holders would be offered (6,176,292 New Options) and the costs of complying with the legal and regulatory requirements of regulatory authorities in these jurisdictions.

There is no minimum subscription amount. New Options will be issued in response to valid acceptances of entitlements received. Fractional entitlements to New Options will be rounded up.

The Offer closes on 15 June 2020 at 5:00pm (Melbourne time) unless closed early or extended. The Board reserves the right to issue New Options prior to the Closing Date in response to valid subscriptions. This includes the issue of New Options to Directors or their related entities to comply with the timing requirements of the ASX Listing Rules. Further details are set out in section 9.1.

### 1.2 No Entitlement Trading

Entitlements to New Options are not renounceable and there is no ability to trade rights on ASX or elsewhere.

### 1.3 No Underwriting

The Offer of New Options is not underwritten.

### 1.4 ASX Listing

New Options will not be quoted (listed). Official quotation of New Options offered under this Prospectus is not being applied for at this time and is not a condition of the Offer. It is expressly not stated or implied that permission will be sought for official quotation of New Options, or that official quotation of the New Options will be granted within three months or any other period after the date of this Prospectus.

The Company will apply to ASX for admission of shares issued upon exercise of New Options (if any) to official quotation within 7 days of the issue of such shares. The fact that ASX may grant official quotation of such shares is not to be taken in any way as an indication of the merits of the Company or those securities.

### 1.5 Prohibition on exceeding 20% voting threshold

Recipients of New Options must have regard to, and comply with, the takeovers prohibition (the 20% voting power threshold) and the substantial holder disclosure requirements of the Corporations Act when exercising New Options.



The Company expressly disclaims any responsibility for ensuring that recipients do not breach the takeovers prohibition and/or the substantial holder disclosure requirements under the Corporations Act in any circumstance, including as a result of exercise of New Options.

The Company may refuse to act upon the exercise of New Options where such exercise would constitute a breach of the 20% voting power threshold under the Corporations Act.

Recipients should seek their own professional advice regarding if they may be at risk of breaching the takeovers prohibition or be required to comply with the substantial holder disclosure requirements under the Corporations Act as a result of the issue of shares upon exercise of New Options.

## 1.6 **Rights Issue**

On 7 April 2020, the Company lodged with ASIC and released to ASX a prospectus for a non-renounceable pro-rata offer to shareholders with addresses in Australia and New Zealand of one new share for every two shares held at 7:00pm on 14 April 2020 at an issue price of \$0.004 (0.4 cents) per new share to raise approximately \$1.33 million before costs (**Rights Issue**). Every two new shares issued under the Rights Issue are to be accompanied by one free-attaching unlisted option with the same terms as the New Options under this Prospectus.

The Rights Issue closed on 15 May 2020. On 20 May 2020, the Company notified ASX that it had received valid subscriptions from eligible shareholders under the Rights Issue for \$824,352.39, representing 206,088,019 shares and 103,044,050 free-attaching options under the Rights Issue. These shares and free-attaching options under the Rights Issue were issued on 22 May 2020 and an Appendix 2A and Appendix 3G was released to ASX on that date.

As set out in the announcement on 20 May 2020, the shortfall of the Rights Issue is 126,219,102 shares and 63,109,551 free-attaching options. The Board is in the process of considering its options in respect of the placement of the shortfall of the Rights Issue however reserves the right to place the shortfall within 3 months of the closing date of the Rights Issue.

The Company will release an announcement to ASX upon confirmation of the allocation and issue of shares and free-attaching options under the shortfall (if any), including an Appendix 2A and Appendix 3G.

## 2. **Purpose of the Offer**

### 2.1 **Purpose of the issue of New Options and the Offer**

New Options are being offered to reward Eligible Holders, a significant proportion of whom have been patient and loyal supporters of the Company for some time.

The Offer is being made to facilitate the secondary trading of shares issued upon exercise of New Options (if any).

### 2.2 **Use of proceeds and financial effect of the Offer**

Approximately \$208,640 will be raised if the Offer is fully subscribed. If the Offer is not fully subscribed then the amount raised will be lower. Funds raised from the Offer will be applied to meeting the costs of the Offer and otherwise for general working capital purposes. Funds raised upon exercise of New Options (if any) will be applied to meeting the general working capital requirements of the Company at the time of exercise of the New Options.

It is anticipated that the costs of the Offer will be approximately \$11,000 as set out in the table below:

<b>Particulars</b>	<b>Amount (\$) (ex GST)</b>
Legal and regulatory fees	\$8,000
Printing and administrative fees	\$3,000
<b>Total</b>	<b>\$11,000</b>

If the Offer is fully subscribed then the cash reserves of the Company will increase by approximately \$208,641. The cash reserves of the Company will be increased by a lower amount if the Offer is not fully subscribed.

It is not anticipated the Offer will have a financial effect on the Company other than as set out in this section 2.2.

As at the date of this Prospectus, the Company has cash on hand of approximately \$860,000. Funds raised under the Offer will increase the cash reserves of the Company as set out above. The Company has existing creditors of approximately \$130,000. Payments due to these creditors are within trading terms and are expected to be settled in the ordinary course of business. As set out in section 1.6, the Company may raise up to an additional \$504,876.41 (before costs) by way of issuing shares and free-attaching options under the shortfall of the Rights Issue.

### 3. Effect on the Capital Structure of the Company

#### 3.1 Shares and Options

##### *Capital Structure*

The tables below set out the existing capital structure of the Company and the effect on the capital structure of issuing the maximum number of New Options offered under this Prospectus.

#### SHARES

Existing issued ordinary shares	870,702,261
Maximum shares offered under the shortfall of the Rights Issue (refer to section 1.6 for further information)	Up to 126,219,102 *
<b>Total</b>	<b>996,921,363</b>

\* subject to rounding

#### OPTIONS

Existing Options	Number of options	Expiry Date	Exercise price
Unlisted (issued under the Rights Issue)	103,044,050	22 May 2022	\$0.01
Unlisted (issued with shareholder approval)	27,000,000	22 May 2022	\$0.01
Unlisted (issued without shareholder approval)	8,000,000	22 May 2022	\$0.01
Maximum unlisted options under the shortfall of the Rights Issue (refer to section 1.6 for further information) *	63,109,551	22 May 2022	\$0.01
New Options (Maximum) *	208,641,452	22 May 2022	\$0.01
<b>Total</b>	<b>409,795,053</b>	-	-

\* subject to rounding

*Note to table: options in the row with (issued with shareholder approval) notation were issued to the existing Directors and management of the Company following receipt of shareholder approval at the shareholder meeting on 22 May 2020.*

#### 3.2 Dilution and control

The existing percentage shareholdings in the Company of existing shareholders will not be diluted by the issue of New Options under the Offer. The percentage shareholding in the Company of shareholders will, however, be diluted upon the exercise of some or all of the New Options proposed to be issued under the Offer.

There is no certainty that any or all New Options will be exercised at any particular time, or at all.

Accordingly, for illustrative purposes, if all New Options are exercised, a total of 208,641,452 shares will be issued (subject to rounding). If 50% of New Options are exercised, 104,320,696 shares (subject to rounding) will be issued. The dilutive impact of the exercise of 50% or all of the New Options under the Offer is set out in the table below:

Shareholder (example)	Example share holding	Existing shares % (870,702,261 shares)	% of total if 50% of Options under the Offer are exercised (total 975,022,987 shares)	% of total if all Options under the Offer are exercised (total 1,079,343,713 shares)
A	1,000,000	0.11%	0.10%	0.09%
B	2,500,000	0.29%	0.26%	0.23%
C	5,000,000	0.57%	0.51%	0.46%
D	10,000,000	1.15%	1.03%	0.93%
E	20,000,000	2.30%	2.05%	1.85%

Notes to table:

- (a) All percentages are rounded to two decimal places.
- (b) Assumes no further shares are issued (including any new shares under the shortfall of the Rights Issue).

#### 4. Risks

The New Options offered under this Prospectus are considered speculative. Investment in the Company carries risk. This section identifies circumstances the Directors regard as risks associated with investment in the Company and which may have a material adverse impact on the financial performance of the Company, if they were to arise.

Specifically:

- the New Options are subject to specific risks (refer to section 4.1);
- the business, assets and operations of the Company are subject to specific risk factors that could influence the operating and financial performance of the Company in the future (refer Section 4.2); and
- there are general investment and market risks (refer Section 4.3).

Where possible, the Directors aims to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified are highly unpredictable or are out of the control of the Company and the Company is therefore limited to the extent it can effectively manage them.

These risk factors are not intended to be an exhaustive list of risks to which the Company is, or will be, exposed.

##### 4.1 Risks associated with the Offer and the New Options

###### (a) *Value of securities and share market conditions*

The market price of the Company's securities are subject to varied and unpredictable influences on the market for equities in general and with respect to resources stocks in particular. Market conditions and lack of liquidity may affect the value of the Company's securities regardless of the performance of the Company.

In particular, the extent of the effects of the COVID-19 pandemic is at this stage is uncertain and evolving rapidly. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the market price of the Company's securities.

*(b) Exercise Price*

No guarantee can be given that the price of the fully paid ordinary shares of the Company will be greater than the Exercise Price prior to the Expiry Date. Accordingly, there is a risk that New Options will be out of the money during the entire exercise period which would affect the value of New Options.

*(c) Dilution*

Although the issue of New Options will not result in the dilution of the holdings of existing shareholders of the Company, any exercise of Options into Shares will result in existing shareholders being diluted. An example of the potential dilutive effect of the exercise of New Options is set out in section 3.2.

*(d) Taxation consequences*

The exercise of New Options may have taxation consequences, depending on your particular circumstances. Recipients of New Options should seek their own taxation advice before exercising New Options.

#### 4.2 Company Specific Risks

*(a) Grant and Renewal of Permits*

The Company intends to pursue exploration activities that are dependent upon the grant, maintenance and renewal of tenements in which the Company has or may acquire an interest. Maintenance of the Company's tenements is dependent upon, amongst other things, the Company's ability to meet the licence conditions imposed by relevant authorities including minimum annual expenditure requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think the tenements in which it currently has, or has rights to acquire, an interest in will not be granted or renewed, there is no assurance that grants will be obtained or that renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

*(b) Additional Funding*

The Company's funding requirements depend on numerous factors including the Company's ability to generate income from its projects, the outcome of future exploration and work programs and the acquisition of any new projects. The Company may require further funding in addition to current cash reserves to fund future exploration activities or the acquisition of new projects. Additional equity financing, if available, may be dilutive to shareholders and/or occur at prices lower than the market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed it may be required to reduce the scope of its exploration operations.

*(c) Joint venture and farm-in risks*

As previously disclosed in announcements to ASX, the Company has entered into a farm-in agreement with Olympic Domain Pty Ltd (**Olympic Domain**) under which the Company can earn up to an 80% interest in seven distinct exploration tenements located in South Australia.

The Company was required to meet minimum aggregate expenditure of \$1,000,000 by 7 March 2020 in order to obtain a 51% interest in the tenements the subject of the of farm-in agreement with Olympic Domain. On 30 March 2020, the Company announced that prior to the second anniversary date of the Farm-in Agreement, 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. On 5 May 2020, following discussions with Olympic Domain and a review of expenditure, the Company announced that it and Olympic Domain had reached agreement that its Stage 2 interest had been earned. As at the date of this Prospectus, the Company is working towards meeting the expenditure requirements to acquire the Stage 3 interest (being aggregate expenditure of \$1.5m inclusive of expenditure incurred to achieve Stages 1 and 2 interests) to acquire a further 29% interest in the tenements (80% total interest). The Company will release further updates on

progress to meeting the Stage 3 expenditure requirements as and when available however there is no guarantee that the Company will acquire the Stage 3 interest at a particular time, if at all.

The farm-in agreement also provides for the Company entering into a formal joint venture arrangement with Olympic Domain. The Company and Olympic Domain are yet to execute the formal joint venture arrangements.

There is a risk that the Company will not meet the expenditure requirements under the farm-in agreement or that, even if such expenditure requirements are met, a commercially viable resource is not located on the exploration tenements. In addition, any joint venture agreement between the Company and Olympic Domain would be subject to risks typically associated with arrangements of this kind, including that either party may seek to terminate or withdraw from the arrangement or fail to meet their obligations thereunder.

There is also the potential for disputes in respect of the obligations of the parties under the joint venture. As noted in Quarterly Activities Report for the period ended 31 December 2019 as released to ASX on 31 January 2020, the Company maintains that Olympic Domain is obligated to facilitate access to the exploration tenements, although this position has been disputed by Olympic Domain. Notwithstanding this the Company is progressing with meeting the expenditure requirements under the farm-in agreement with Olympic Domain as set out above. Further details of the land access risks associated with the projects of the Company are set out below.

*(d) Land Access*

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. The Company currently has, or is seeking to acquire, an interest in various exploration tenements located in Queensland, South Australia and Western Australia. Queensland, South Australia and Western Australia have implemented restrictions affecting land interest in areas deemed to be subject to certain protective overlays and zoning classifications, including areas containing sites of indigenous cultural heritage significance and areas of urban developments. In some instances, the protective overlays and zoning classifications may restrict mining and exploration activities completely, however more commonly they will affect the procedure required for access and may impose obligations in respect of compensation, land rehabilitation and/or land impact management. This may, for example, necessitate the completion of impact assessment studies and/or require the negotiation of access or compensation arrangements with landowners and indigenous groups. Inability to access, or delays experiences in accessing, the land and unforeseen expenses associated therewith may impact on the Company's activities. Any future changes in legislation and regulations may impose significant obligations or restrictions on the Company which cannot be predicted.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access, the extent of the effect of COVID-19 on land access is hard to predict at the current time given the situation remains uncertain and is evolving rapidly.

In addition, the exploration tenements in which the Company may earn-in up to an 80% interest pursuant to a farm-in agreement with Olympic Domain may be subject to restrictions on access that may result in delay in the Company meeting its obligations under the farm-in agreement or commencing substantial resource exploration activities on the relevant exploration tenements. As previously disclosed, the Company has been notified that the Kokatha Aboriginal Corporation (**KAC**), which holds land access rights to the exploration tenements the subject of the farm-in agreement, has been placed under special administration due to an ongoing dispute between its directors and members. This has the potential to cause delays and access issues to certain tenement areas. That said, the Company recently announced that it had been engaged in beneficial communications with the external administrator of the KAC and, as a result, was able to proceed with higher impact exploration activities subject to completion of a heritage survey.

*(e) Environment*

The proposed activities of the Company are subject to both Australian Federal and State laws and regulations concerning the environment. The Company may require approval from relevant regulatory authorities before undertaking activities likely to impact on the environment. If the Company fails to obtain such approvals it may be prevented from undertaking those activities. Delays in obtaining any required approvals may also adversely affect the Company proposed activities.

Furthermore, future legislation and regulations may impose significant environmental obligations on the Company that cannot be predicted.

*(f) Government Policy*

In addition to the effect of legislative or regulatory changes in the specific areas of land access and environment discussed above, changes in government, financial policy, taxation and other laws (including legislation which regulates the resources industry), including changes in response to COVID-19, may affect the Company's ability to carry on its proposed activities, restrict the Company in achieving its objective or may result in increased compliance costs or complexities in managing the Company's proposed operations and activities. Changes to State or Commonwealth government, government policies or legislation cannot be predicted and could have a materially adverse effect on the Company.

*(g) Operating Risk*

The Company is in the early stages of resource exploration activity. The business of minerals exploration, development and product is by its nature subject to considerable risk. The prospectus of the Company must be considered in light of the considerable risks, costs and difficulties frequently encountered by companies in a similar stage of resource exploration. The amount and timing of exploration expenditures will depend on the progress of ongoing exploration, the results of consultants' analysis and recommendations and other factors, many of which are beyond the Company's control.

The development of the new and current projects will require the commitment of substantial resources and the Company expects to incur losses unless and until projects enter into commercial production and generate sufficient revenues to fund their continuing operations. There can be no assurance the exploration of the Company's projects will result in the discovery of an economic mineral deposit. Accordingly, there can be no assurance the Company will generate any revenues or achieve profitability.

Furthermore, if the Company made a discovery, there can be no assurance any logistical, technical, financial and regulatory hurdles would be satisfied and that profitable, commercial production would be achieved.

*(h) Availability of Personnel*

The Company is reliant on technical consultants and other resource industry specialists engaged on a consultancy basis to provide analysis and recommendations on, and carry out, exploration activities in respect of its projects. The availability of suitable technical consultants and resource industry specialists may be limited and there may be delays in securing equipment and personnel required to carry out the Company's planned activities. This may result in cost and time overruns which may have a material adverse effect on the Company. The COVID-19 pandemic may impact on the ability to engage or retain require personnel including, for example, if their capacity to work or travel is restricted.

*(i) Lack of production, income or dividends*

The Company has a limited history of generating returns from its activities. There is no certainty that production may start or income be generated at any particular time or at all, or that production or the levels of revenue (if achieved) will be profitable. The Directors cannot give any assurance concerning the extent and timing of future dividends (if any) as this will depend on the future profitability and financial position of the Company as well as other economic factors. It is not envisaged that dividends will be paid on the Company's increased capital in the foreseeable future.

*(j) Third Party Risks*

The Company have contracted with, or will in the future need to contract with, various parties to enable the implementation of its exploration plans on its projects. Such counterparties include service contractors, consultants, suppliers, exploration partners and landowners.

There is a risk that counterparties may fail to perform their obligations under existing or future agreements. This could lead to delays, increase in costs, disputes and even litigation. All these factors could negatively affect the Company's operations and there can be no assurance the Company would be successful in seeking remedies or enforcement of its rights through legal actions.

(k) *Change in strategy*

The Company seeks to identify desirable opportunities from time to time. Accordingly, the plans and strategies of the Company may evolve such that the existing operations of the Company may change. Such change could include, amongst other matters, acceleration of the development of one or more of the projects of the Company, the acquisition of one or more projects or the disposal of one or more of the existing projects of the Company.

As a result, the current strategies, approaches and plans may not reflect the strategies, approaches and plans of the Company at a later date. Any such changes have the potential to expose the Company to heightened or additional risks.

4.3 **General Risks**

(a) *COVID-19*

The outbreak of COVID-19 is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the operations of the Company and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continuing to evolve and the consequences are uncertain. In compliance with its continuous disclosure obligations, the Company will provide updates to the market as and when COVID-19 has a material impact on the Company and its business and finances.

(b) *Economic risks*

General economic conditions, movements in interest and inflation rates and currency exchange rates may adversely affect the Company's activities, as well as its ability to fund those activities. Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- international trade disputes and sanctions
- political instability and civil unrest
- restricted access to trade routes
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

(c) *Regulatory Risks*

The Company's activities could be adversely affected by changes to laws such as the impact of taxes and charges, increasing requirements relating to regulatory and environmental matters and changes to mining or exploration rights granted under legislation. The Company could also be adversely affected by changes to laws regarding native title and heritage matters, employee relations, health and worker safety, protection of endangered and protected species and other matters. Failure to comply with applicable laws or permit conditions could result in fines, penalties or other sanctions including suspension or forfeiture of rights.

(d) *Litigation risks*

The Company is exposed to possible litigation risk including contractual disputes, occupational health and safety claims and employee claims. The Company may be involved in disputes with other parties in the future, potentially resulting in litigation. Any such claim or dispute, if proven, may adversely impact the Company's operations, financial performance and financial position.

4.4 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or in connection with an investment in the Company. The above risk factors, and other risk factors not specifically referred to above, may materially affect the future financial performance of the Company and the value of the securities offered under this Prospectus.

Shares issued upon exercise of New Options carry no guarantee with respect to the payment of dividends, returns of capital or market value. The Company does not expect to declare any dividends for the foreseeable future. Applicants should consider investment in the Company is speculative.

Potential investors should consider investment in the Company as highly speculative and consult their professional advisers before deciding whether to apply for shares offered under this Prospectus.

5. **Acceptance Instructions**

5.1 **Choices available under the Offer**

Eligible Holders may:

- exercise their rights to participate in the Offer (and take up their entitlement) in full; or
- exercise their rights to participate in the Offer (and take up their entitlement) in part; or
- take no action under the Offer in this Prospectus and allow their entitlement to lapse.

5.2 **Completing an Entitlement and Acceptance Form**

Unless paying by BPAY®\* (see below), all acceptances of entitlements to New Options must be made on the personalised Entitlement and Acceptance Form accompanying this Prospectus in accordance with the instructions set out in on the form.

\* ® Registered to Bpay Pty Ltd ABN 69 079 137 518

**For payments BPAY or Electronic Funds Transfer (EFT):**

Your acceptance of entitlements to New Options or payment may not be effective if received after 5:00pm (Melbourne time) on the Closing Date or such later date as the Company may specify, in which case no New Options would be issued to you in respect of your acceptance or payment, and any payment received will be refunded to you after the date of allotment in accordance with the Corporations Act, without interest.

The amount payable on acceptance will be deemed not to have been received until the Company is in receipt of cleared funds. Payments in cash will not be accepted.

If the amount of payment received is insufficient to pay in full for the number of New Options you have accepted or is more than required for the number of New Options you have accepted, you will be taken to have accepted the lesser of your entitlement or such whole number of New Options which is covered in full by your payment.

**If paying by BPAY:**

To accept your entitlement and pay via BPAY, you should:

- read this Prospectus and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and



- make your payment via BPAY for the number of New Options you wish to subscribe for (being the subscription price of 0.1 cents (\$0.001) per New Options multiplied by the number of New Options for which you are accepting your entitlement) so that it is received no later than 5:00pm (Melbourne time) on the Closing Date, or such later date as the Company may specify.

You can only make a payment via BPAY if you hold an account with an Australian financial institution.

**If you choose to pay via BPAY you are not required to submit the Entitlement and Acceptance Form.**

If your BPAY payment is received by 5:00pm (Melbourne time) on the Closing Date or such later date as the Company may specify, New Options accepted are anticipated to be issued to you on or before the date set out in the timetable on page 4 of this Prospectus (which date may change without notice).

You should be aware that your financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit. The Company and the Share Registrar accept no responsibility for unsuccessful, delayed, or incomplete BPAY payments.

If you have multiple holdings you will have multiple BPAY reference numbers. To ensure that you receive your entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Options that you wish to accept your entitlement for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be refunded to the applicant without interest.

If paying by Electronic Funds Transfer (EFT):

To accept your entitlement and pay by EFT, you should:

- read this Prospectus and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- complete the personalised Entitlement and Acceptance Form which accompanies this Prospectus (instructions for completing and returning the Entitlement and Acceptance Form are set out on the form);
- make your payment via EFT for the number of New Options you wish to subscribe for (being the subscription price of 0.1 cents (\$0.001) per New Option multiplied by the number of New Options for which you are accepting your entitlement so that it is received no later than 5:00pm (Melbourne time) on the Closing Date, or such later date as the Company may specify.
- return the completed Entitlement and Acceptance Form together with a copy of payment receipt for the applicable amount (being the subscription price of 0.1 cents (\$0.001) per New Option multiplied by the number of New Options for which you are accepting your entitlement) to [corporate.actions@automicgroup.com.au](mailto:corporate.actions@automicgroup.com.au) so that it and payment are received by no later than 5:00pm (Melbourne time) on the Closing Date (which is set out in the timetable on page 3 of this Prospectus), or such later date as the Company may specify. The Company and the Share Register accept no responsibility for delayed or misdelivered Entitlement and Acceptance Forms or payments.

**5.3 Further Information**

**If you have any questions about your entitlement, please contact Justin Mouchacca, the Company Secretary, on +61 (3) 8620 3321. Alternatively, contact your stockbroker or other professional adviser.**

The issue of New Options is expected to occur after the Closing Date set out in the timetable on page 4 of this Prospectus (which date may change without notice). Thereafter holding statements will be despatched. It is the responsibility of recipients to determine their allocation prior to exercising New Options.

The Offer under this Prospectus is only made to and capable of acceptance by holders of the recently expired CHKOs with an address in Australia on the register of CHKOs as at the Record Date. Accordingly, this Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer..

No account has been taken of the particular objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigations and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the Offer, or to acquire New Options or other securities of the Company.

## **6. Continuous Disclosure Obligations**

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for convertible securities over continuously quoted securities (being the New Options).

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities under that prospectus are continuously quoted securities, or option over continuously quoted securities, within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities, or options over a class of securities, that were quoted enhanced disclosure securities at all times during the 3 months before the date of this Prospectus and other requirements relating to the Company not being subject to various exemptions and orders under the Corporations Act within the last 12 months are met.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
  - the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and
  - the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

The Company operates an ongoing business and reports regularly on its activities. The Company from time to time seeks to engage in discussions in respect of potential opportunities for the acquisition of new projects or joint venture or other arrangements in respect of existing projects. Funds may be used to fund the costs associated with identifying, investigating and pursuing such opportunities. The Company will make further announcements in respect of any such opportunities (if any) in accordance with its continuous disclosure obligations as developments, if any, occur (however no guarantee can be given that such developments, if any, will occur).

As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASX and ASIC in relation to the Company may be obtained from or inspected by accessing the respective websites.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the acceptance period of this Prospectus:

- (a) The annual financial report of the Company for the financial year ended 30 June 2019 (released to ASX on 27 September 2019), being the most recent annual financial report of the Company before the lodgement of this Prospectus with ASIC; and
- (b) The Half Year Financial Report for the half year ended 31 December 2019 (released to ASX on 13 March 2020); and
- (c) Any continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report referred to in (a) above before lodgement of this Prospectus. Continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report to the date of this Prospectus are listed in Section 7 of this Prospectus.

Such documents are also available online from the ASX website at [www.asx.com.au](http://www.asx.com.au).

## 7. ASX Announcements

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its annual financial report for the year ended 30 June 2019 with ASIC:

Date	Headline
27/05/2020	Horse Well Geophysics Modelling Update
27/05/2020	Change of office address and contact details
22/05/2020	Change of Director's Interest Notices x 3
22/05/2020	Appendix 3G
22/05/2020	Results of Meeting
22/05/2020	Appendix 3G - Rights Issue options
22/05/2020	Allotment of Rights Issue securities & Appendix 2A
21/05/2020	Pernatty C update – RC drilling program
20/05/2020	Rights Issue results and shortfall notification
05/05/2020	Update - Proposed issue of Securities - CHK
05/05/2020	Olympic Domain 51% Earn-in complete & Rights Issue Extension
30/04/2020	March 2020 Quarterly Activities and Cashflow Reports
27/04/2020	Pernatty C Exploration Update
23/04/2020	Change of Director's Interest Notices x 3
20/04/2020	Notice of General Meeting/Proxy Form
20/04/2020	CHKO Option Update
16/04/2020	Despatch of Rights Issue Documents
08/04/2020	Letter to ineligible shareholders
07/04/2020	Update – Proposed issue of Securities – CHK
07/04/2020	Rights Issue Prospectus
30/03/2020	Appendix 3B – Cancellation of Share Purchase Plan
30/03/2020	Proposed Issue of Securities – CHK
30/03/2020	Proposed Issue of Securities – CHK
30/03/2020	Pernatty C Exploration Update and Rights Issue
19/03/2020	Letter to CHKO Option Holders
13/03/2020	Half Year Financial Report – 31 December 2019
03/03/2020	Share Purchase Plan Postponed

Date	Headline
28/02/2020	Final Director's Interest Notice
24/02/2020	Appendix 3B - Proposed issue of securities
24/02/2020	Appointment of CEO and Proposed SPP
10/02/2020	Detailed review of Horse Well MT data & Pernatty C update
31/01/2020	December 2019 Quarterly Activities and Cashflow Reports
29/11/2019	Results of Annual General Meeting
30/10/2019	September 2019 Quarterly Activities and Cashflow Reports
25/10/2019	Notice of Annual General Meeting/Proxy Form
27/09/2019	Appendix 4G and Corporate Governance Statement
27/09/2019	2019 Annual Report to Shareholders

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Announcements are released by ASX on its website, [www.asx.com.au](http://www.asx.com.au) under the Company's ASX code "CHK" and copies of announcements can be obtained from the Company upon request and are available on the Company's website [www.cohibaminerals.com.au](http://www.cohibaminerals.com.au). Prospective investors are advised to refer to ASX's website for updated releases about events or matters affecting the Company.

In making statements in this Prospectus, it is noted that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

## 8. Terms of New Options

Reference to "Option" is to a New Option and reference to "Share" are to a fully paid ordinary share of the Company.

### (a) Entitlement

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

### (b) Issue Price

Options are being issued at an issue price of \$0.001 (0.1 cents) per Option.

### (c) Exercise of Option

- (i) The Options are exercisable at any time from the issue date prior to the expiry date.
- (ii) The final date and time for exercise of the Options is 5:00pm (Melbourne time) on 22 May 2022. If such date falls on a day that is not a Business Day, the final date will be the next Business Day.
- (iii) The exercise price per option is \$0.01 (1 cent).
- (iv) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's share registry. Unless a holder is exercising all of their Options, Options must be exercised in parcels of not less than 1,000.
- (v) The Options cannot be exercised if, as a result of the exercise, the Optionholder or any of its associates would breach the provisions of Chapter 6 (and specifically section 606) of the Corporations Act.

- (vi) Remittances must be made payable to 'Cohiba Minerals Limited' and cheques should be crossed 'Not Negotiable'.
- (vii) All Options will lapse on the earlier of the
  - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
  - (B) expiry of the final date and time for exercise of the Option.
- (viii) In the event of liquidation of the Company, all unexercised Options will lapse.

(d) *Quotation*

- (i) The Options will be unlisted and the Company will not apply for quotation of Options.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

(e) *Participation in Securities Issues*

Subject to paragraph (f) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

(f) *Participation in a Reorganisation of Capital*

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.
- (ii) In any reorganisation as referred to in paragraph (f)(i), Options will be treated in the following manner:
  - (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
  - (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
  - (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
  - (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
  - (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
  - (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

(g) Adjustments to Options and Exercise Price

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (g)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (g)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(A) Pro Rata Cash Issues

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may (at the discretion of the Board) be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.  
 O = the old exercise price of the Option.  
 E = the number of underlying securities into which one Option is Exercisable.  
 P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.  
 S = the subscription price for a security under the pro-rata issue.  
 D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).  
 N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(h) *ASX requirements*

Whilst the Company is admitted to the Official List of ASX, these terms of Options may be varied as required to comply with the requirements of ASX and the ASX Listing Rules.

(i) *Governing law*

The Offer and any application concerning the issue of New Options under this Prospectus shall be governed and construed in accordance with the laws of the State of Victoria, Australia.

**9. Director's interests**

**9.1 Securities**

The Directors' direct and indirect interests in securities of the Company as at the date of this Prospectus are set out in the table below.

**SHARES & OPTIONS**

Director/Shareholder (and/or associate(s))	Existing Shares		Existing Options
	Number	%	
Avi Kimelman	30,339,874	3.48%	20,000,000
Mordechai Benedikt	29,677,784	3.41%	13,946,298
Nochum Labkowski	8,856,750	1.02%	1,476,125
<b>TOTAL:</b>	<b>68,874,408</b>	<b>7.91%</b>	<b>35,422,423</b>

**Notes to Table:**

- All percentages are rounded to two decimal places.
- Assumes no further shares or options are issued to Directors (including any shares under the shortfall of the Rights Issue).
- On 22 May 2020, shareholders approved each of Avi Kimelman and Mordechai Benedikt having the right but not the obligation to subscribe for up to 154,646,170 shares with up to 77,323,085 free-attaching options under the shortfall of the Rights Issue. As noted in section 1.6, the Board may allocate shares and free-attaching options under the shortfall of the Rights Issue in accordance with the allocation policy set out in the prospectus lodged with ASIC and released to ASX on 7 April 2020. There is no guarantee that Avi Kimelman and/or Mordechai Benedikt will subscribe for a certain number, or any, shares and free-attaching options under the shortfall of the Rights Issue, or that the shortfall will be placed at all.
- The Directors have the following maximum entitlements to New Options arising from related party entities with whom they are associated: Avi Kimelman – 12,866,667 New Options; Mordechai Benedikt 1,413,229 New Options; Nochum Labkowski – 421,750 New Options. Shareholder approved the Directors having the right to take up their entitlement to New Options at the General Meeting on 22 May 2020. The Directors intend to apply for their entitlements under the Offer. The Board reserves the right to issue New Options in response to valid subscriptions from the Directors or their related entities prior to the Closing Date to comply with the timing requirements of the ASX Listing Rules such that the New Options are issued on or before 22 June 2020 (being 1 month after the meeting).

9.2 **Remuneration & Payments to Directors**

Fees and other remuneration

Directors are entitled to receive directors' fees and other remuneration (which may include consulting fees) from the Company in relation to services provided to the Company.

Details of the remuneration paid or agreed to be paid to Directors in the two years prior to the lodgement of this Prospectus (excluding GST and other taxes as applicable) are as follows:

Director	May 2018 – May 2019	May 2019 – May 2020
Avi Kimelman	-	\$55,000
Mordechai Benedikt	\$180,000	\$190,000
Nochum Labkowski	\$66,000	\$72,000

**Notes to table:**

- (1) The remuneration set out above includes base salaries in connection with director engagements.
- (2) Avi Kimelman was appointed a director on 22 May 2019 and accordingly remuneration is reported from that date.
- (3) In addition to the above, Carraway Corporate Pty Ltd (**Carraway**), an Australian company associated with Mr Kimelman, has received fees totalling approximately \$85,000 in connection with corporate advisory services provided to the Company in the two years prior to the date of this Prospectus. As announced on 24 February 2020, the Company has entered into a mandate with Carraway under which Carraway will provide corporate advisory, promotional and road show activities for a fee of \$7,000 per month.

## Other

Except as disclosed in this Prospectus:

- (a) no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director of the Company or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the Offer.
- (b) no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in:
  - the formation or promotion of the Company; or
  - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
  - the Offer.

### **10. Taxation**

Recipients of the Offer should seek and obtain their own taxation advice before applying for New Options under the Offer so that they may first satisfy themselves of any taxation implications associated with acquiring New Options.

### **11. Overseas Shareholders**

The Offer under this Prospectus is only made to and capable of acceptance by holders of the recently expired CHKOs with an address in Australia on the register of CHKOs as at the Record Date.

Noting the above, this Prospectus does not constitute an offer of securities in any place where, or to any person whom, it would be unlawful to make such an offer. No action has been taken to register or qualify the securities or the Offer or otherwise to permit a public offering of the securities in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law.

The Offer has not been, and will not be, registered under the US Securities Act and have not been made in the United States of America. The securities have not been, and will not be, registered under the United States Securities Act of 1933 and are not to be offered or sold within the USA.

### **12. Privacy**

Personal information is collected on the personalised Entitlement and Acceptance Form by the Company and the Share Registrar for processing applications, maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Applications might not be processed efficiently, or at all, if the information requested is not provided. Personal information about recipients may be disclosed to external service providers such as print or mail service providers as required or permitted by law. A recipient who would like details of their personal information held by the Company or its Share Registrar, or who would like to correct information that is incorrect or out of date, should contact the Company by email, by telephone or at the address shown in the Corporate Directory. In accordance with the Corporations Act, recipients may be sent material (including marketing material) in addition to general corporate communications. Recipients may elect not to receive marketing material by contacting the Share Registrar's Privacy Officer. Recipients can also request access to, or corrections of, personal information held by the Company by writing to the Company.

### **13. Electronic Prospectus**

This Prospectus is available in electronic format via the ASX website, [www.asx.com.au](http://www.asx.com.au) and via the Company's website at [www.cohibaminerals.com.au](http://www.cohibaminerals.com.au).

Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by contacting Justin Mouchacca, Company Secretary on +61 3 8630 3321 or by email to [admin@cohibaminerals.com.au](mailto:admin@cohibaminerals.com.au).



Acceptances entitlements may only be made by BPAY or on the personalised Entitlement and Acceptance Form which accompanied or was attached to a copy of this Prospectus in its paper copy form or a printout of the form which formed part of or was accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Entitlement and Acceptance Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the complete and unaltered electronic version of this Prospectus.

#### **14. Investment Decisions**

The information in this Prospectus does not constitute financial product advice. This Prospectus does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Offer pursuant to this Prospectus having regard to their own objectives, financial situation, tax position and needs.

#### **15. Future Performance**

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company, or any return on any investment made pursuant to this Prospectus. An investment through applying for and receiving New Options under the Offer or exercising New Options should be considered speculative.

#### **16. Enquiries**

If you have any questions regarding the content of this Prospectus or how to complete the personalised Entitlement and Acceptance Form, you should contact your stockbroker, accountant or independent professional financial adviser prior to accepting the Offer. Any questions concerning the Offer should be directed to Justin Mouchacca, Company Secretary on +61 3 8630 3321 or by email to [admin@cohibaminerals.com.au](mailto:admin@cohibaminerals.com.au).

No person is authorised to give information or make any representation in connection with this Prospectus which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.



**Avi Kimelman**  
**Non-Executive Chairman**



## INSTRUCTIONS FOR COMPLETION OF THIS FORM

### ACCEPTANCE OF OFFER

By returning the Entitlement and Acceptance Form with payment to the Share Registry or making a payment by Bpay or EFT:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form;
- you provide authorisation to be registered as the holder of New Options acquired by you and agree to be bound by the Constitution of the Company.

### 1 Acceptance of Full or Partial Entitlement for New Options

Select the value of New Options you wish to accept under the Entitlement Offer. If you wish to accept for New Options less than your full entitlement, enter number of New Options you wish to accept, which must be less than your full Entitlement, which is set out overleaf.

\*In the calculation of your Full Entitlement, fractions are rounded up to the nearest whole number.

### 2 Payment

**Payment by BPAY:** You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. **To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form.** Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight).

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such New Options for which you have paid.

**Payment by EFT:** You can make a payment via Electronic Funds Transfer "EFT". Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time and any associated fees with processing a funds transfer.

**Please ensure you use your unique reference number located on the reverse page.** This will ensure your payment is processed correctly to your application electronically.

You do not need to return this form if you have made payment via EFT. Your unique reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such New Options for which you have paid.

Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight) and it is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time. The Company and the Share Register accept no responsibility for delayed or misdelivered Application Forms or payments.

**Due to the Government's direction for people to remain in their residence and other restrictions under the Public Health (COVID-19 Restrictions on Gathering and Movement) Order 2020 and for the purposes of public health and safety, Cohiba Minerals Limited will not be accepting cheque or money order payments for the Offer.**

### 3 Contact Details

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm AEST. We may use this email\* or number to contact you regarding your acceptance of the New Options, if necessary.

\*By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible)

**If you require further information about the Entitlement Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 9:00am and 5:00pm (AEST).**