



ASX CODE: CHK

TO: COMPANY ANNOUNCEMENTS OFFICE ASX LIMITED

DATE: 18 August 2016

ACQUISITION UPDATE AND GRANT OF ASX WAIVER

Cohiba Minerals Limited (ASX: CHK) (the **Company**) is pleased to announce that following its market announcement on 26 July 2016 and in connection to the proposed acquisition of Charge Lithium Pty Ltd (**Charge**), the Company has applied for and obtained a waiver of ASX Listing Rule 7.3.2 to permit the issue of shares to the vendors of Charge in tranches over 18 months after the date of the meeting.

The grant of the waiver will enable the finalisation of a notice of meeting seeking approval required for the acquisition (**'Notice'**). Specifically, the waiver permits the Notice to state that the issue of up to 14,000,000 CHK shares to the Charge vendors may be issued more than 3 months after the date of the general meeting. The waiver has been granted on the following conditions:

- The shares are issued to the Charge vendors no later than 20 March 2018, subject to approval at the shareholder's meeting;
- The milestones which must be satisfied for the shares to be issued are not varied;
- The Notice sets out in detail the milestones which must be satisfied prior to the issue of the shares.
- For any annual reporting period during which any of the securities have been issued or remain to be issued, the Company's annual report must set out in detail the number of securities issued in that annual reporting period, and the number of securities that remain to be issued, and the basis on which those securities may be issued.
- For any half year or quarter year report during which any of the securities have been issued or remain to be issued, the Company's interim report and quarterly activities report must include a summary statement of the number of securities issued during the reporting period, and the number of securities that remain to be issued, and the basis on which those securities may be issued.
- That the Company releases the terms of the waiver to the market.

ISSUED CAPITAL

164,509,373

DIRECTORS

Mr Mordechai Benedikt (Chairman)

Mr David Herszberg (Director)

Mr Nachum Labkowski (Director)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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CONTACT

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The Notice is expected to be dispatched within the coming days.

Update on proposed acquisition

The Company advises that it has commenced its due diligence in relation to Charge and is in the process of finalising its review. Charge has granted Cohiba an extension of time to carry out its due diligence until close of business on Wednesday 24 August 2016.

Under the Terms Sheet, the proposed transaction is as follows:

- Cohiba will acquire 100% of the shares on issue in Charge, giving Cohiba full ownership of the interests associated with the Licence Applications, in consideration for Cohiba issuing a total of 17,500,000 shares to the Charge vendors (Completion Shares). In addition, the Charge vendors will be entitled to receive the following shares upon, and subject to the grant of, the Licence Applications:
 - (i) 3,500,000 shares issued upon, and subject to, the grant of the Licence Application comprising the Mt Cattlin Central Lithium Project;
 - (ii) 3,500,000 shares issued upon, and subject to, the grant of the Licence Application comprising the Big Galaxy Project;
 - (iii) 3,500,000 shares issued upon, and subject to, the grant of the Licence Application comprising the Pyramid Lake Lithium Brine Project;
 - (iv) 3,500,000 shares issued upon, and subject to, the grant of the Licence Application comprising the Greenbushes North Lithium Project; and
 - (v) 3,500,000 shares issued upon, and subject to, the grant of the last of the Licence Applications which comprise the Pilgangoora Central Lithium Project.
- An upfront payment of \$78,000 will be made payable by Cohiba under the Terms Sheet, following successful completion of Cohiba's due diligence; this fee will be refundable in full where the Charge vendors elect to terminate the Terms Sheet for any reason.
- The proposed transaction will be subject to certain closing conditions including Cohiba obtaining all required approvals (including without limitation shareholder and regulatory approvals), and the completion of satisfactory due diligence investigations by each party;
- The parties entering into definitive Sale Agreements for the proposed transaction;
- Cohiba and Charge will ensure that their respective businesses are conducted in the ordinary and usual course of business;
- The parties have committed to pursuing the transaction exclusively, subject to certain customary exceptions.

For further information, please contact:

Mordechai Benedikt
Executive Chairman