

Letter to CHKO Option Holders

Cohiba Minerals Limited (ASX: CHK) ('the Company' or 'CHK') advises that the following letter has been despatched to CHKO option holders in accordance with ASX Listing Rule 6.24 and the letter provides notice that the expiry date of those options is 18 April 2020.

If you require more information on how to exercise your options, please contact Automic Pty Ltd on 1300 288 664 (Australia) or + 61 2 9698 5414 (international). If you are unsure whether to take up your options, please contact your stockbroker, financial advisor or other professional advisor.

For and on behalf of the Board:

Justin Mouchacca
Company Secretary

Address

Level 4
100 Albert Road
South Melbourne
Victoria 3205
Phone: +61 3 9692 7222

Directors

Avi Kimelman – Non-executive Chair
Mordi Benedikt – Executive Director
Nochum Labkowski – NED

CEO

Andrew Graham

19 March 2020

Dear Option Holder,

EXPIRY OF LISTED OPTIONS

You are the registered holder of options (the **Options**) in Cohiba Minerals Limited (ASX: CHK) (**Cohiba** or the **Company**). These options were issued to shareholders who participated in applying for shares through the Company's Rights Issue in 2017, other placements conducted since 2017 or have been acquired on market since that time.

The Options will expire at 5:00pm on Saturday 18 April 2020.

Option Holders Choices:

1. Exercise all or a portion of your options

You may complete the enclosed 'Notice of Exercise of Options' form in full, sign it and send it to Automic Pty Limited by post. Exercise of options will be completed and processed in accordance with the Terms of Options set out on the back of the Application Form. Payment must be made by Cheque, payable to Cohiba Minerals Limited.

2. Sell all or a portion of your options

The Options are listed (ASX: CHKO) and may be traded on the ASX. The last traded price for CHKO options was \$0.001 on 28 February 2020. Your options will cease trading at close of trade on Monday 13 April 2020 (last day of quotation).

3. Do Nothing

If you choose to do nothing, your Options will expire at **5:00pm (AEST) Saturday 18 April 2020** and have no value.

Additional Information required by the ASX Listing Rules

In accordance with the ASX Listing Rules, the Company advises the following:

- (a) The name of the option holder is contained on the enclosed personalised 'Notice of Exercise of Options' form.
- (b) The number of Options held, and the number of fully paid ordinary shares in the Company to be issued on the conversion of the Options is contained in the enclosed personalised 'Notice of Exercise of Options' for the option holder.
- (c) The exercise price for the Options is \$0.018 (1.8 cents) per option.
- (d) The due date for payment of the exercise price is on or before **5:00pm (AEST) Saturday 18 April 2020**.

- (e) If payment is not received by 5:00pm (AEST) on Saturday 18 April 2020, then your Options will expire with no value and no further entitlement will exist.
- (f) Official quotation of Options on the ASX will cease at the close of trading on Monday 13 April 2020.
- (g) The last traded price for Cohiba shares was \$0.004 on 18 March 2020.
- (h) The highest and lowest market price for Cohiba shares during the 3 months immediately before the notice is as follows:

Highest: \$0.015 (1.5 cents) on 9 January 2020

Lowest: \$0.004 (0.4 cents) on 12 March 2020

- (i) The board confirms that there is no underwriting agreement in place for the exercise of the Options.

Further Information

The board encourages you to consider your choices as an Option holder and to take the action that best suits your individual circumstances. If you require more information on how to exercise your Options, please contact Automic Pty Limited on 1300 288 664 (Australia) or +61 2 9698 5414 (international). If you are unsure whether to take up your Options, please contact your stockbroker, financial advisor or other professional advisor.

Yours sincerely,

COHIBA MINERALS LIMITED



Justin Mouchacca
Company Secretary

[EntityRegistrationDetailsLine1Envelope]
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SRN/HIN: [HolderNumber]
Security Code: CHKO
Number of Option Held: [CHKOHolding]
Option expiry date: 18 April 2020
Exercise Price: \$0.018

NOTICE OF EXERCISE OF OPTIONS – EXPIRING 18 APRIL 2020

I/we hereby exercise the following number of options and make payment in Australian currency for the amount payable. Please allot me/us Ordinary Shares calculated on the basis of one Ordinary Share for every one Option which I/we exercise. I/We agree to accept such Shares subject to the Constitution of Cohiba Minerals Limited.

Options Class	Exercise Price
<input type="text" value="CHKO"/>	A\$ <input type="text" value="\$0.018 per option"/>
Insert number of Options to be Exercised	Total payment required (If the dollar amount paid results in a fraction of a share then the shares allotted will be rounded down). (multiply box 1 by the exercise price per option)
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> , <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> , <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>	A\$ <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> , <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> , <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> . <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>

To exercise your options, you will need to deliver the following to the Company: Level 4, 100 Albert Road, South Melbourne VIC 3205

(a) This completed notice;

(b) Payment for the exercise price in respect of those options to be exercised via cheque payment. Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Cohiba Minerals Limited" and crossed "Not Negotiable". Return your cheque and this application form to: Cohiba Minerals Limited, Level 4, 100 Albert Road, South Melbourne VIC 3205

2. Contact details

Telephone Number Contact Name (PLEASE PRINT)

Email Address

SUPPORT YOUR COMPANY: By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

3. Please sign below

Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director or Sole Director and Company Secretary	Director	Director / Company Secretary

NOTE: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. A certified copy of the Power of Attorney must be lodged with this exercise form.

CHKO Option Terms

Rights attaching to the CHKO Options (referred to below as an "Option") are as follows:

(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) Exercise of Option

- (i) The Options are exercisable at any time from the issue date.
- (ii) The final date and time for exercise of the Options is 5pm (AEST) on 18 April 2020. 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 \$0.018 (1.8 cents).
- (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.

(c) Quotation

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.

(d) Participation in Securities Issues

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

(e) 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 (e)(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.

(f) 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 (f)(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 (f)(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.