



Monday, 22 August 2016

Dear Optionholder,

COHIBA MINERALS LIMITED – RIGHTS ISSUE

Cohiba Minerals Limited (ASX: CHK) (**Cohiba Minerals** or the **Company**) announced to ASX on 22 August 2016 a non-renounceable pro rata offer to acquire 1 new fully paid ordinary share in Cohiba Minerals for every 2.5 shares held as at Thursday 25 August 2016 (**Record Date**) at an offer price of \$0.015 (1.5 cents) per share (**Rights Issue**) to raise approximately \$987,000 (before costs of the Rights Issue).

The ASX Listing Rules requires Cohiba Minerals to provide you notification of your right to participate in the Rights Issue and of the Record Date.

Your options do not entitle you to participate in the Rights Issue. You are entitled to participate in the Rights Issue in respect of your options only if you exercise your options (in accordance with the terms of such options) and are entered into the Company's share register as a shareholder on or before the Record Date.

The purpose of this letter is to give you notice prior to the Record Date that you may exercise your options should you wish to participate in the Rights Issue.

If you exercise your options and are entered into Cohiba Minerals share register as a shareholder on or before the Record Date, and have a registered address in Australia and/or New Zealand, you will be sent an offer booklet and an entitlement and acceptance form in respect of the Rights Issue.

Shares not taken up by eligible shareholders will form part of the shortfall (**Shortfall Shares**).

The Company will use the proceeds of the Rights Issue to:

- implement exploration activities at the tenements the subject of the Greenbushes Option and Charge Acquisition following, and subject to, successful completion of those acquisitions; and
- strengthen the Company's balance sheet and enable it to continue to examine and assess potential new or complimentary acquisition opportunities; and
- otherwise provide working capital for the ongoing administration and operation of the Company.

Details of the Rights Issue are set out in the offer booklet and Appendix 3B that has been lodged with ASX. Both documents are available on ASX's website (www.asx.com.au) and on the Company's website (www.cohibaminerals.com.au).

Summary of key information	
Type of offer	Non-renounceable pro rata offer to eligible shareholders to acquire up to 65,803,750.
Offer price	\$0.015 (1.5 cents).
Offer ratio	1 new share under the Rights Issue for every 2.5 existing shares held as the Record Date. Fractions will be rounded up.

Ranking of new shares	New shares issued under the Rights Issue will be fully paid and will rank equally in all respects with the Company's existing issued ordinary shares.
Eligible shareholders	In accordance with the ASX Listing Rule, the directors of the Company have determined the following shareholders will be eligible to participate in the Rights Issue: <ul style="list-style-type: none"> - holders of shares on the Company's register of shareholders at the Record Date; - who reside in Australia and New Zealand.

Indicative Timetable

Event	
Announcement of Rights Issue	Monday, 22 August 2016
lodgement of the following with ASX: <ul style="list-style-type: none"> • Appendix 3B; • Offer Document; • a notice under section 708AA(2)(f) of the Corporations Act 	Monday, 22 August 2016
EX date	Wednesday, 24 August 2016
Record Date	Thursday, 25 August 2016
Offer document dispatched and Rights Issue opens	Tuesday, 30 August 2016
Closing Date	Thursday, 8 September 2016
Shares quoted on a deferred settlement basis	Friday, 9 September 2016
CHK notifies of undersubscriptions	Tuesday, 13 September 2016
issue date and dispatch of holdings statements	Thursday, 15 September 2016
Final date for placement of Shortfall Shares	Thursday, 8 December 2016

The dates contained in the indicative timetable are subject to change. Subject to compliance with the ASX Listing Rules, Cohiba Minerals reserves the right to:

- (i) not proceed with the Rights Issue and return any application moneys received without interest; or
- (ii) vary the dates and times above including close the offer under the Rights Issue earlier or later.

If you have any questions in relation to the Rights Issue, please do not hesitate to contact Cohiba Minerals on +61 3 9692 7222.

Yours sincerely,



Justin Mouchacca
Company Secretary