



ASX CODE: CHK

TO: COMPANY ANNOUNCEMENTS OFFICE ASX LIMITED

DATE: 22 April 2016

Option to Acquire Lithium Licences

Cohiba Minerals Limited (ASX:CHK) (the **Company**) is pleased to announce that it has entered into a heads of agreement (**HOA**) under which Cohiba has been granted an option (**Option**) to acquire a 100% interest in applications (**Applications**) for exploration licences (**Exploration Licences**) over two tenement areas which comprise the Greenbushes Lithium Project (**Project**).

The Project area is prospective for the potential discovery of lithium mineralisation and other associated minerals such as tin and tantalum. The two tenements the subject of the Applications have seen minimal modern exploration, and contain similar host geology to the nearby Talison Greenbushes Mine.

The Applications for the Exploration Licences were submitted by the vendors under the HOA (**Vendors**) to the Western Australian Department of Mines and Petroleum (**Department**) on 29 March 2016. If the Applications are granted by the Department, and where Cohiba elects to exercise the Option, Cohiba will be positioned to enter the lithium market through its ownership of the geologically prospective Exploration Licences.

The Greenbushes Project tenements are located approximately 15km west and southwest of Talison's Greenbushes Mine. The tenements are accessible via sealed roads from Bridgetown and Nannup and serviced by both of those towns.

GEOLOGY

The Greenbushes mineral field surface geology is comprised largely of tertiary weathered units of alluvium (Tg), and colluvium overlying various granitic and gneissic units including quartz feldspar biotite gneiss (Anb), quartz feldspar biotite granofels (Anf), Augen gneiss (Ana), migmatite (Am), and granitic gneiss (Ang). These basement rocks are crosscut by numerous pegmatite and dolerite dykes and veins as late stage intrusions / crystallisations created towards the end of the granitic base rock formation.

The basement rock that contains the bulk of the mapped pegmatite appears to be of the Anf and Anb varieties which also seem to underlie the tin bearing alluvium (Greenbushes Formation) found at the Greenbushes Mine.

ISSUED CAPITAL

144,674,999

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

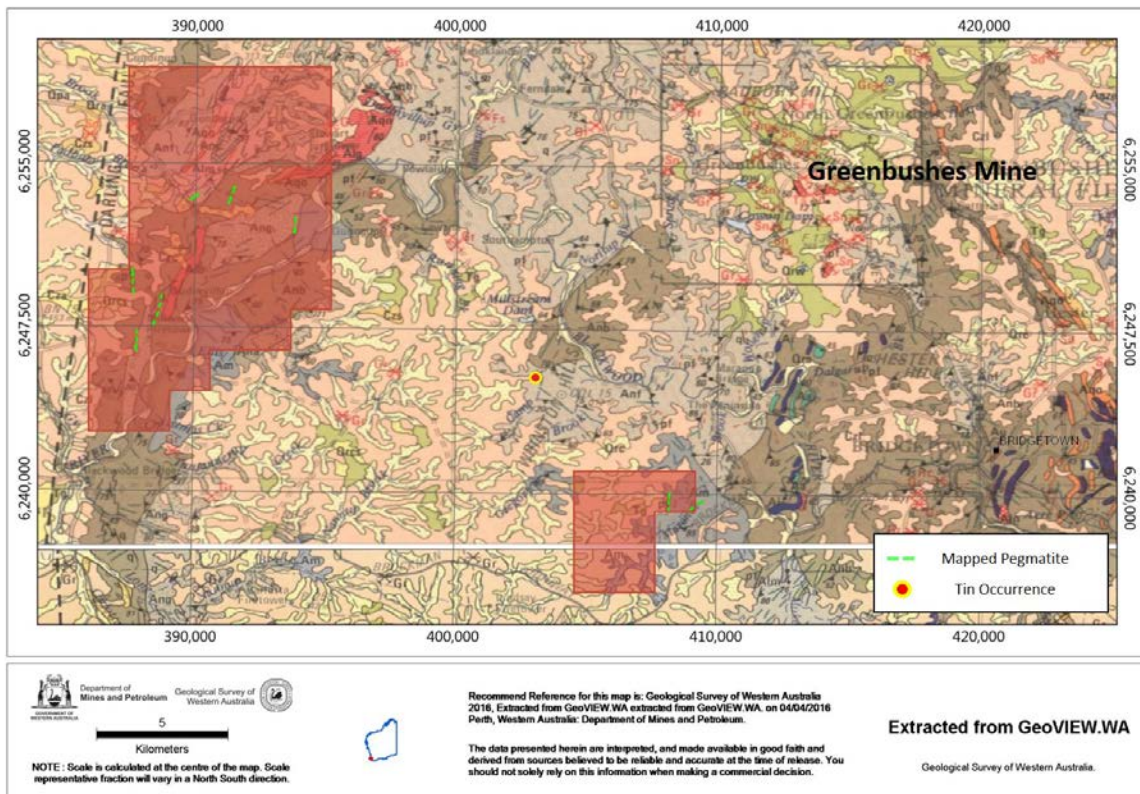
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Within the two tenements offered as the Greenbushes Lithium Project, the basement rocks are similarly, Anb, Anf, Ang and Am, all of which contain mapped incidences of pegmatite and represent part of the layered granitic sequence of the Balingup Metamorphic Belt.

The Greenbushes lithium mineralisation is associated with the accessory minerals of tin and tantalum, which commonly form together with spodumene (lithium bearing pyroxene) in the same crystallisation zones of the pegmatite.

An excerpt from a report written in 1932 refers to a tin discovery 9 miles southwest of Greenbushes. This site would be within 1.6km from the tenement boundary of E70/4844 (current application) and within 5km of a mapped pegmatite within the same tenement. The ground between is largely covered by sediment so the same mineralised source rocks could well exist within the tenement.



TERMS

The key terms of the HOA are as follows:

1. Cohiba shall be entitled to exercise its Option at any time after the Exploration Licences the subject of the Applications are granted by the Department.
2. In consideration of the Vendors granting the Option to Cohiba, Cohiba shall:
 - a) issue to the Vendors a total of 3,500,000 ordinary shares; and

- b) subject to the granting of the Applications, Cohiba exercising the Option and the completion of transfer of legal and beneficial ownership of the Exploration Licences to Cohiba, issue a further 3,500,000 ordinary shares to the Vendors.
- 3. Prior to the Exploration Licences being granted, Cohiba will manage all activities (if any) within the Project area and indemnify the Vendors from and against all liabilities and claims that may arise as a result of those activities, and the Vendors must do all things necessary, provide all reasonable assistance and access to Cohiba and execute all required documents to enable Cohiba to fulfil such obligations.
- 4. Cohiba may terminate the HOA at any time by providing written notice to the Vendors.
- 5. The Vendors may not enter into any negotiations or discussions with other parties besides Cohiba with respect to the sale, assignment or other disposal of their interest in the Applications or the Exploration Licences once granted.

The HOA contains standard warranties for an agreement of this nature.

For further information, please contact:

Justin Mouchacca
Company Secretary