

Tuesday, 21 March 2017

Dear Optionholder,

COHIBA MINERALS LIMITED – RIGHTS ISSUE

Cohiba Minerals Limited (ASX: CHK) (**Cohiba** or the **Company**) announced to ASX on 21 March 2017 a non-renounceable pro rata offer to acquire 1 new fully paid ordinary share in Cohiba for every 6 shares held as at 24 March 2017 (**Record Date**) at an offer price of \$0.013 (1.3 cents) per share, each with 1 free-attaching unlisted option (**Rights Issue**) to raise approximately \$515,259 (before costs of the Rights Issue).

Each free-attaching option will have an exercise price of \$0.018 (1.8 cents), expiry date three years from the issue date and will, upon exercise, entitle the holder to one ordinary fully paid share in the Company.

The ASX Listing Rules requires Cohiba 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 in the Company’s share register as a shareholder on or before the Record Date, and have a registered address in Australia or New Zealand, you will be sent a copy of the prospectus and an entitlement and acceptance form in respect of the Rights Issue.

Details of the Rights Issue are set out in the prospectus and Appendix 3B that has been lodged with ASX.

Shares not taken up by eligible shareholders will form part of the shortfall (**Shortfall Shares**). Eligible shareholders who take up their entitlement in full will be able to apply for Shortfall Shares.

The Company will use the proceeds of the Rights issue for the purposes set out in the prospectus lodged with ASX.

Summary of key information	
Type of offer	Non-renounceable pro rata offer to eligible shareholders to acquire up to 39,635,367 fully paid ordinary shares each with 1 free-attaching option.
Offer price	\$0.013 (1.3 cents).
Offer ratio	1 new share under the Rights Issue for every 6 existing shares held as at the Record Date. Fractional entitlements will be rounded up.
Terms of free-attaching options	Free-attaching options have an exercise price of \$0.018 (1.8 cents), expiring three years from the issue date and will, upon exercise, entitle the holder to one ordinary fully paid share in the Company.
Shortfall participation rights	Eligible shareholders will have the opportunity to apply for Shortfall Shares

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 or New Zealand.

Indicative Timetable

Event	
Announcement of Rights Issue	21 March 2017
lodgement of the following with ASX: <ul style="list-style-type: none"> • Appendix 3B; • Prospectus. 	21 March 2017
EX date	23 March 2017
Record Date	24 March 2017
Prospectus dispatched and Rights Issue opens	29 March 2017
Closing Date	7 April 2017
Shares quoted on a deferred settlement basis	10 April 2017
CHK notifies of undersubscriptions	12 April 2017
Issue date and dispatch of holdings statements	18 April 2017

The dates contained in the indicative timetable are subject to change. Subject to compliance with the ASX Listing Rules, Cohiba 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 the Company on +61 3 9692 7222.

Yours sincerely,



Justin Mouchacca
Company Secretary