

6 May 2014

Dear Shareholder,

Non-Renounceable Entitlement Offer and Bonus Offer

Cobre Montana NL (**Company**) is seeking to raise up to \$732,406 by way of, non-renounceable pro rata entitlement offer (**Entitlement Offer**). In addition, the Company is undertaking a non-renounceable pro rata bonus issue of partly paid shares at a total issue price of \$0.05 each and which are deemed to be paid up to \$0.001 each (**Bonus Offer**).

IMPORTANT

The partly paid shares will be issued to eligible shareholders for **no cash consideration**. However, in order to receive your entitlement (if any), **you must return an acceptance form** in accordance with the Company's Prospectus dated 5 May 2014. Shareholders who apply for shares under the Entitlement Offer are deemed to accept their entitlements (if any) under the Bonus Offer and are therefore not required to lodge a separate (additional) acceptance form for new partly paid shares. Shareholders who fail to return an acceptance form for partly paid shares by 21 July 2014 (or who do not apply for shares under the Entitlement Offer) will not receive their entitlement (if any) to free partly paid shares.

Under the Entitlement Offer, the Company will offer shares to eligible shareholders at an issue price of \$0.04 each on the basis of 1 new share for every 4 shares held at 9 May 2014 (**Entitlement Offer Record Date**). Applications for shares under the Entitlement Offer may only be made by completing the appropriate Application Form accompanying the Prospectus. Acceptances of entitlements under the Entitlement Offer will close on 4 June 2014.

The Entitlement Offer is being made to all shareholders of the Company as at 5.00pm (WST) on the Entitlement Offer Record Date whose registered address is in Australia or New Zealand or who are, in the opinion of the Board, otherwise eligible under all applicable securities laws to receive an offer of shares under the Entitlement Offer.

Under the Bonus Offer, the Company will offer partly paid shares to eligible shareholders at a total issue price of \$0.05 each on the basis of 1 new partly paid share for every 2 shares held at 18 July 2014 (**Bonus Offer Record Date**) with each partly paid share deemed to be paid up to \$0.001 and being issued for **nil cash consideration**. The Company will seek quotation of the partly paid shares however quotation will be subject to ASX confirmation and the Company meeting the spread requirements under the ASX Listing Rules.

Acceptances of entitlements under the Bonus Offer will close on 21 July 2014.

The Bonus Offer is being made to all shareholders of the Company as at 5.00pm (WST) on the Bonus Offer Record Date whose registered address is in Australia or New Zealand or who are, in the opinion of the Board, otherwise eligible under all applicable securities laws to receive an offer of partly paid shares under the Bonus Offer.

The partly paid shares will be issued to eligible shareholders for **no cash consideration**. However, in order to receive your entitlement (if any), **you must return an acceptance form** in accordance with the Company's Prospectus dated 5 May 2014. Shareholders who apply for shares under the Entitlement Offer are deemed to accept their entitlements (if any) under the Bonus Offer and are therefore not required to lodge a separate (additional) acceptance form for new partly paid shares. Shareholders who fail to return an acceptance form for partly paid shares by 21 July 2014 (or who do not apply for shares under the Entitlement Offer) will not receive their entitlement (if any) to free partly paid shares.

Entitlements to securities pursuant to the Entitlement Offer and the Bonus Offer are non-renounceable and, accordingly, rights to either Offer cannot be traded on the ASX.

Full details of the Offers are contained in the Prospectus which was lodged with the Australian Securities & Investments Commission and the Australian Securities Exchange on 5 May 2014. The Prospectus is available on ASX's website and the Company's website at www.cobremontana.com.au.

Indicative Timetable

The indicative timetable for the Offers is as follows:

Event	Date
Announcement of Offers, Appendix 3B lodged with ASX and Prospectus lodged with ASX and ASIC	5 May 2014
Entitlement Offer	
Notice sent to Optionholders	5 May 2014
Notice sent to Shareholders	6 May 2014
'Ex' date	7 May 2014
Entitlement Offer Record Date (5.00pm (WST))	9 May 2014
Prospectus issued to Eligible Shareholders and announcement of issue of Prospectus	12 May 2014
Opening Date for Offers	12 May 2014
Last day to Extend Entitlement Offer Closing Date	30 May 2014
Entitlement Offer Closing Date (5.00pm (WST))	4 June 2014
Deferred settlement trading commences	5 June 2014
ASX notified of under-subscriptions	10 June 2014
Issue of New Shares and deferred settlement trading ends	12 June 2014
Commencement of trading of New Shares	13 June 2014
Bonus Offer	
'Ex' date and deferred settlement trading commences	16 July 2014
Bonus Offer Record Date (5.00pm (WST))	18 July 2014
Bonus Offer Closing Date (5.00pm (WST))	21 July 2014
Issue of New Partly Paid Shares and deferred settlement trading ends	28 July 2014
Commencement of trading of New Partly Paid Shares	29 July 2014

Please note that the timetable is subject to change. The Company reserves the right to vary the timetable for the Offers without notice, subject to the Corporations Act, ASX Listing Rules and other applicable laws. The commencement of quotation of new securities is subject to confirmation from the ASX.

Generally, shares purchased on market on or after the “Ex Date” for the Entitlement Offer (i.e. 7 May 2014) are NOT entitled to participate in the Entitlement Offer. Similarly, shares purchased on market on or after the “Ex Date” for the Bonus Offer (i.e. 16 July 2014) are NOT entitled to participate in the Bonus Offer. If you have any doubt, please consult your stock broker or other professional adviser.

Shareholders should read the Prospectus carefully. If you have any questions about the Offers that are not answered in the Prospectus, you should consult your accountant, stockbroker, lawyer or other professional adviser before deciding to invest.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Adrian Griffin', written in a cursive style.

Adrian Griffin
Managing Director
Cobre Montana NL