



**ASX CODE: CHK**

**TO: COMPANY ANNOUNCEMENTS OFFICE ASX LIMITED**

**DATE: 20 June 2019**

---

## **Chairman's Letter to Shareholders**

---

Dear Shareholders,

I am pleased to take this opportunity, as your recent incoming Chairman and one of the largest single shareholders, to share with you my views and priorities for the future of your Company.

Since my appointment, my primary focus has been on listening to shareholders, reviewing the forward strategy, and understanding our options around capital management and how to best optimise its cash reserves. Considerable time has also been spent on assessing the progression of our existing assets Olympic Domain, Lake Pyramid and Wee Macgregor assets.

There is much work to be done, however this period of review has given me great confidence in the future of your Company. Allow me to spell out my findings:

### **Listening to shareholders**

Together with the Company's Managing Director, we are in the process of building a new website, twitter page and email data base and everything else expected from a company in this modern era of communications. More specifically we are setting structures in place, making sure every effort is made that as our ever increasing larger shareholder base have means of ways getting In touch with management and responding to shareholder queries as soon as possible.

### **DIRECTORS**

Mr Avi Kimelman (Chairman)  
Mr Mordechai Benedikt (Director)  
Dr Bob Beeson (Director)  
Mr Nachum Labkowski (Director)

### **REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

Level 4  
100 Albert Road  
South Melbourne, Victoria 3205

### **CONTACT**

P +61 3 9692 7222  
F +61 3 9077 9233

## **Asset update**

### **Olympic Domain – IOCG (South Australia)**

The Company is very pleased with the progress made in its key tenements adjoining the major BHP discovery at Oak Dam West in South Australia. We have and continue to be in detailed discussion with major companies as how best to extract the value on our very prospective group of tenements in Olympic Domain (**OD**). particularly, Horsewell.

Just this week I attended the Copper of the World 2019 conference in Adelaide and am pleased to have greeted the parties and now we are at a point of reviewing the exploration plan to optimise efficiency and success for the Cohiba shareholders. Discussions are ongoing and incomplete, however I assure shareholders we as a company will not do a deal for the sake of doing a deal, and seeking something more significant. Due to the nature of the talks I cannot elaborate any further, yet assure shareholders we will be updating the market as soon things are finalised.

Concurrently as this is ongoing, the company is fast tracking with heritage and drilling permits on the multiple exploration targets identified, with the process deep underway and look forward updating the market accordingly.

### **Lake Pyramid - Gypsum (Western Australia)**

Having personally visited the project in Esperance and met with many companies seeking off take, it surprises me that the market has given CHK virtually no value on this project.

Gypsum well known to farmers, yet not very well known to the average person, is a crucial aggregate used in day to day farming. Having only one other competitor in the vicinity, and with Gypsum being a low value commodity product, transportations, shipping distance is critical in the overall financial strength.

Fortunately we are closer located and better positioned than our only competitor currently supplying in this area which has given us a great deal of confidence to fast track development.

The company has undertaken a two-stage approach by applying though the CCAA (Cement Concrete & Aggregates Australia) to see if we can fall under the category in obtaining a much quicker license, yet at the same time filling in the thorough standard procedure of a Mining Licence through the DMP with the view to expedite this process.

Based on our internal review this project alone should generate significant cash flow to CHK with very little CAPEX as soon as the approval has been obtained, with what I mentioned above numerous major companies ready to sign offtake as soon as we have been granted the license and, in a position, to supply product.

### **Wee Macgregor – Copper, Gold, Cobalt (Queensland)**

The Company has decided to focus and direct it's energy on its two main key assets, Olympic Domain and Lake Pyramid. In relation to Wee Macgregor we have been approached by numerous companies to acquire our entire interest. The company is evaluating all the options on table, is in no rush to sell yet as the asset is valuable in its own right, we however will consider monetising this asset to further strengthening the company's cash and balance sheet. We look forward updating the market in the very near future with some substantive progression on our intentions.

## **Outlook**

To conclude, together with the Company's Managing Director and board I hope to assist making CHK a better, more focused company with what I believe to be located in a number of highly prospective areas of interest, in particular the South Australian postcode.

Over the coming months we look forward to updating the market as things progress, which are expected to deliver very positive outcomes for our shareholders.

On behalf of the board, I thank shareholders for their continuous support.

Avi Kimelman

Chairman