

APPOINTMENT OF CEO AND PROPOSED SPP

Highlights:

- Appointment of new CEO Andrew Graham
- On track to 51% Earn-in at Olympic Domain
- Directors' fees reduced and more aligned with shareholders' interest
- Share Purchase Plan for all existing eligible shareholders

Exploration Update and CEO Appointment

Cohiba Minerals Limited (ASX: CHK) ('the Company' or 'CHK') provides an update on our current operations and provides a welcome to the newly appointed Chief Executive Officer of the Company, Mr. Andrew Graham.

Andrew has 30 years of technical, operational and managerial experience in the resources sector with both private and public companies in Australia and overseas. He has founded multiple companies in the mining, mineral processing, consulting and environmental sectors and has a passion for business building through strong leadership, technical excellence and strategic focus.

Andrew has built a global network of investors, innovators and technical and commercial specialists. He has been involved in raising hundreds of millions of investment capital, building large teams of specialists and developing numerous projects from greenfields exploration to operating mines.

He has qualifications in applied geology, economic geology, management, training and quarry management and is a member of the Australasian Institute of Mining and Metallurgy and the Institute of Quarrying.

As announced recently, the Company is progressing with a highly strategic exploration program aimed at delineating a major IOCG target within the Horse Well area and a Mt Gunson / ZCB style target (Copper-Cobalt) within the Pernatty C area.

The Company is also in the process of conducting a further exploration program to work towards obtaining its 51% interest in the Olympic Domain tenements by the second anniversary date of the farm-in arrangement, 7 March 2020. Results from these activities are expected to be received and announced over the coming weeks, as and when they become available. The proposed program will also include a 3D inversion of the MT results at Horsewell. The Company has engaged CGG Geoscience, who are utilising multi-physics imaging (technology which the Company understands is deployed by a number of other major mining and exploration companies) to provide the best possible interpretation of the data.

Furthermore, the Company's position will also be strengthened following the next stage of the earn in along with our negotiation position with other interested parties.

Address

Level 4
100 Albert Road
South Melbourne
Victoria 3205
Phone: +61 3 9692 7222

Directors

Avi Kimelman – Non-executive Chair
Mordi Benedikt – Executive Director
Bob Beeson – NED
Nochum Labkowski – NED

CEO

Andrew Graham

New CEO, Mr. Andrew Graham said, *"It is with great enthusiasm that I accept the position of CEO with Cohiba Minerals. Cohiba has an exceptional and diversified portfolio of projects in some of the most prospective mineral jurisdictions in the world. In fact, our Horse Well Project is next door to BHP's Oak Dam West which produced, arguably, one of the best drill hole intersections anywhere in the world in recent history.*

With early revenue generation potential from our Pyramid Lake Gypsum Project through to the Cu-Co-Ag potential at Pernatty and the major IOCG potential at Horse Well, Cohiba is well poised for long-term growth. I look forward to working with the Board and driving these projects forward in order to generate significant returns for all stakeholders."

"Cohiba has to date met all of its obligations to date in relation to the Farm-In Agreement with Olympic Domain and has a fully funded program approved by Olympic Domain which will ensure that it meets the expenditure requirements for its 51% stake in the Olympic Domain assets on or prior to the upcoming earn-in date.."

Cohiba's Chairman Avi Kimelman said, *"Since I took the position of Chairman, I have made significant changes and will continue working with my fellow members to strengthen the Board, bringing in additional expertise. Despite the weakening share price, I am confident that with Andrew Graham becoming CEO and all the background work, we will have a quick recovery. I note nothing has changed with respect to Horsewell's potential. If anything it has only gotten stronger, with BHP's recent third phase drilling progress at Olympic Dam as stated in their half yearly report. (See BHP ASX Announcement – Half Year Financial Report dated 18 February 2020 - <https://www.asx.com.au/asxpdf/20200218/pdf/44f5bx7gghzvtj.pdf>)."*

"Furthermore, we eagerly await to FMG's drilling program results, from just north of our tenement."

"Finally, CHK's fully owned Gypsum Project, based in Esperance, has potential to fast track cash flow for the Company. One of Andrew's roles will be to co-ordinate the acquisition of all the final permits, now that the Company has obtained the necessary Flora and Fauna report. I look forward to working with the Board and driving these projects forward in order to generate significant returns for all stakeholders."

Andrew will be paid a monthly fee of \$7,000 per month for the interim period with the remuneration to be reviewed at a later stage, based on workload, and following the completion of the capital raising initiatives discussed below. The Company also proposes issuing Andrew 3,000,000 options each option being exercisable at \$0.013 (1.3 cents) and having an expiry date of 2 years from issue, subject to shareholder approval. The remaining members of the Board thank Andrew for taking on the role at the interim remuneration rates discussed above pending a review and recapitalisation of the Company. The Company or the CEO is able to terminate the Agreement by providing 60 days' notice to either party.

Reduction of Company Overheads

Given the current market conditions for junior explorers, a review has been carried out by the Board and a mutual agreement has been reached to reduce Non-Executive Directors fees. In addition, the

Company's Executive Director, Mr Mordechai Benedikt, is reducing his monthly fee from \$15,000 to \$11,000 per month.

As part of the reduced Directors fees, it is proposed that an issue of a total of 21,000,000 options to Directors (subject to shareholder approval which will be put at an upcoming general meeting of shareholders) be made to align the interests of Directors with shareholders and to compensate the Directors for the reduction in remuneration.

The Company has also agreed to enter into a consulting agreement with Carraway Corporate, an entity associated with Chairman Avi Kimelman, to carry out corporate advisory, promotional and road show activities for \$7,000 per month and can be terminated by either party by providing 60 days notice. The purposes of the engagement is to seek to engage more intensively with current and future stakeholders and investors and seek to become more proactive in the promotion of the Company and the potential of its assets.

Share Purchase Plan (SPP)

As part of its strategy to increase exploration activities, the Company considered many options for a capital raising and decided to progress with a Share Purchase Plan (SPP), allowing all eligible shareholders (being those in Australia and New Zealand) the ability to participate.

The SPP will seek to raise up to a maximum of approximately \$2 million through the issue of approximately 200 million fully paid ordinary shares (**Shares**) at an issue price of \$0.01 (1 cent) per share. Applicants through the SPP will also be issued with one free attaching option for every two Shares applied for under the SPP, with each option being exercisable at \$0.013 (1.3 cents) and having an expiry date of 2 years from issue. The Company will seek to have this series of options listed.

The record date for the SPP is 7pm on 21 February 2020. The offer under the SPP is proposed to be made pursuant to a prospectus to be released by the Company.

The Company proposes seeking shareholder approval at an upcoming general meeting for Directors who participate in the SPP to receive options on the same basis as shareholders who are not related parties.

Further details on the SPP will be set out in offer documents to be dispatched in due course.

Proposed Issue of Options to CHKO Option Holders

The Company also advises that the current CHKO options are on issue expire on 18 April 2020, with each option being exercisable at \$0.018 (1.8 cents). The Board is conscious of the fact that a significant portion of these option holders have been patient and loyal supporters of the Company for some time. The Company is therefore proposing to offer all CHKO option holders as at a record date to be confirmed with the opportunity to participate in a placement by applying for one (1) new option for every two (2) options held. Each option is proposed to have the same terms as the options proposed to be issued through the SPP (including the same expiry date) and with an issue price of \$0.001 (0.1 cents) per option. This issue of options would raise a further circa \$200k for the Company (if fully

subscribed). The Company will also seek to list this series of options (it being noted they are intended to have the same terms as options under the SPP).

The issue of these options is subject to and conditional upon:

- Shareholders approving the issue of these options (with separate shareholder approvals to be sought to issue these options to related parties who hold CHKO). Noting that none of the option holders entitled to participate in the proposed offer will be eligible to vote.
- The issue of these options not resulting in the Company having more convertible securities on issue than fully paid ordinary shares.
- The Company obtaining all other required approvals and/or waivers.

Documentation will be sent out to option holders once shareholders approve the proposed issue.

Director Resignation

The Company advises that Dr Robert Beeson has provided his resignation as a Non-Executive Director effective 28 February 2020.

The Board wishes to thank Robert for his extensive guidance over the past few years since his appointment and wishes him all the best in his future endeavours.

For and on behalf of the Board:

Avi Kimelman
Non-executive Chairman