



Cohiba Minerals Limited

ABN 72 149 026 308

Annual Financial Report

30 June 2012

CORPORATE INFORMATION**ABN 71 141 411 390****Directors**

David Herszberg	<i>Non-Executive Chairman</i>
Amos Meltzer	<i>Non-Executive Director</i>
Marc Spicer	<i>Non-Executive Director</i>

Company secretary

Marc Spicer

Registered office

Level 1, 34-36 Punt Road
Windsor VIC 3181
Telephone: (03) 8306 9930
Fax: (03) 9936 3684

Principal place of business

Level 1, 34-36 Punt Road
Windsor VIC 3181

Share register

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Solicitors

Steinepreis Panagin
Lawyers and Consultants
Level 4, Next Building
16 Milligan Street
Perth WA 6000

Bankers

National Australia Bank
Level 1, 1238 Hay Street
West Perth WA 6005

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Websitewww.cohibaminerals.com.au

DIRECTORS' REPORT

Your directors submit the annual financial report of Cohiba Minerals Limited for the financial year ended 30 June 2012. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

David Herszberg	Non-Executive Chairman (appointed 8 May 2012)
Marc Spicer	Non-Executive Director (appointed 30 May 2012)
Amos Meltzer	Non-Executive Director (appointed 14 September 2012)
James Robinson	Executive Director (resigned 14 September 2012)
Matthew Sheldrick	Non-Executive Chairman (resigned 30 May 2012)
Simon Coxhell	Non-Executive Director (resigned 30 May 2012)

Names, qualifications, experience and special responsibilities

Mr David Herszberg

Non-Executive Chairman

Age: 42

Mr Herszberg has more than 20 years of corporate and management experience. He has served in various positions as President or Director of a number of private companies, both in Australia and the United States. Mr Herszberg has extensive consumer electronics experience and was active in bringing electronic products to Australia. He also has extensive experience in the commercial property market in both developments and investments. He currently serves as a director of Altius Mining Limited (ASX: AYM) and Bisan Limited (ASX: BSN).

During the last three years Mr Herszberg has served as a director of the following ASX listed companies:

- Altius Mining Limited (appointed 6 February 2012)
- Bisan Limited (appointed 10 May 2012)

Amos Meltzer

Non-Executive Director

Age: 46

Qualifications: B.Agr.Sc(Hons),LLB,Grad Dip Int. Prop. Law from University Of Melbourne

Mr Meltzer is a scientist and lawyer and technology commercialisation specialist. From his various in-house roles with internationally focused companies, Amos acquired a rich experience both in international trade spanning 5 continents and in a diverse range communications and life science transactions involving complex scientific, commercial and legal issues. Amos currently serves as the Vice President of Business Development for Immuron Limited (ASX: IMC). He has also served a number of roles with other international publicly listed companies, Associate General Counsel at Gilat Satellite Network (Nasdaq: Gilt), General Counsel and Company Secretary at Compugen Nasdaq: Cgen) and non-executive director at Evogene (TASE: Evgn).

During the last three years Mr Meltzer has not been a director of any other ASX listed companies.

DIRECTORS' REPORT (continued)**Names, qualifications, experience and special responsibilities (continued)****Mr Marc Spicer****Non-Executive Director and Company Secretary****Age: 26****Qualifications: Bachelor of Business (Accounting / Finance), Diploma Financial Services (DFP)**

Mr Spicer is a qualified accountant and has a Bachelor degree majoring in Accounting and Finance. He currently serves as the company secretary for Bisan Limited (ASX: BSN). Mr Spicer has worked in various roles in the finance industry as a risk analyst and client services. He has attained a Diploma in financial planning from Kaplan Professional and is currently completing the Graduate Diploma of Applied Corporate Governance from Chartered Secretaries Australia (CSA).

During the last three years Mr Spicer has not been a director of any other ASX listed companies.

Interests in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors as at the date of this report:

Directors	Number of options over ordinary shares	Number of fully paid ordinary shares
Amos Meltzer	-	-
David Herszberg ¹	200,000	750,000
Marc Spicer	-	-
Totals	200,000	750,000

¹ 750,000 Shares and 200,000 options held in the name of Yad Investments Pty Ltd (entity controlled by David Herszberg)

No shares or options were granted to Directors or Officers during the period or since the end of the financial period as part of their remuneration.

There were no shares issued during the financial period as a result of the exercise of an option. There were no alterations to the terms and conditions of options granted since their grant date.

At the date of this report unissued ordinary shares of the Company under option are 6,500,000 Company Options exercisable at \$0.20 expiring on or before 30 June 2014.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activity of the Company during the year was the exploration for natural resources. There have been no other significant changes in the nature of those activities during the period.

DIRECTORS' REPORT (continued)

Review of Operations

THE SANTY WELL PROJECT

The Company entered into a Farm-in Agreement to earn an initial 50% interest in the mineral rights (other than iron ore) within two granted tenements in the Mid West region of Western Australia (**the Santy Well Project or Project**) from West Peak Iron Limited (WPI), through the sole-funding of \$100,000 of exploration expenditure.

The Santy Well Project is located about 440 kilometres north of Perth and about 60 kilometres north of the regional township of Mullewa and is considered to be prospective for precious and base metals mineralisation associated with the Talling Greenstone sequence in the Mid West region of Western Australia. The Santy Well Project covers a portion of the northern limb of the east north east trending Talling Greenstone Belt, which is about 100km long by 15km wide.

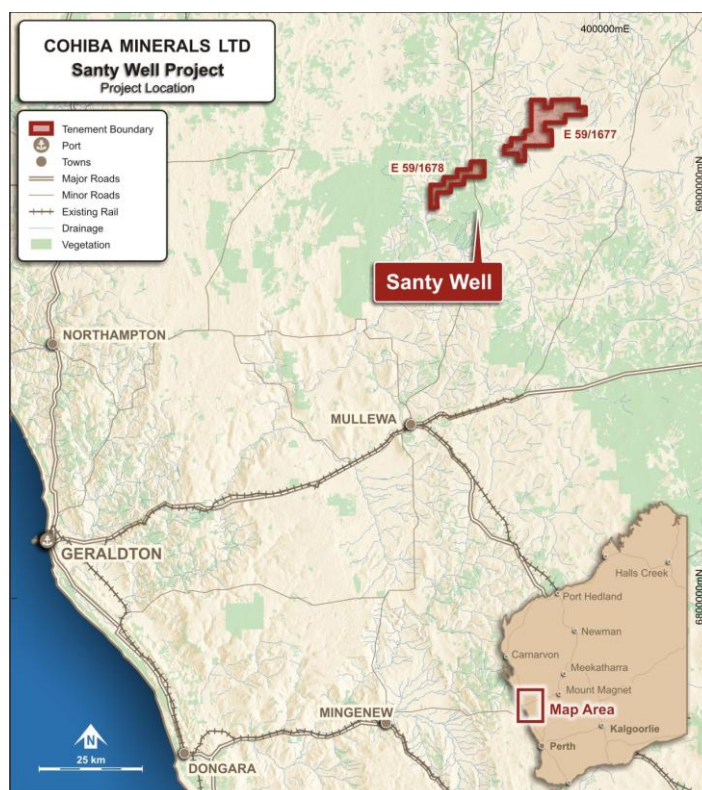


Figure 1 – Santy Well Project Location Plan

The Mid West region is host to a wide range of mineralisation styles, with significant deposits including:

- Golden Grove – volcanic hosted massive sulphide style Zn–Cu–(Ag–Au–Pb) deposits
- Minjar – a series of shear and quartz vein style greenstone hosted Au deposits
- Gullewa – a series of Au and Au-Cu greenstone hosted deposits
- Karara – a large banded iron formation hosted magnetite deposit with a number of satellite haematite deposits
- Talling Peak – a banded iron formation hosted haematite deposit

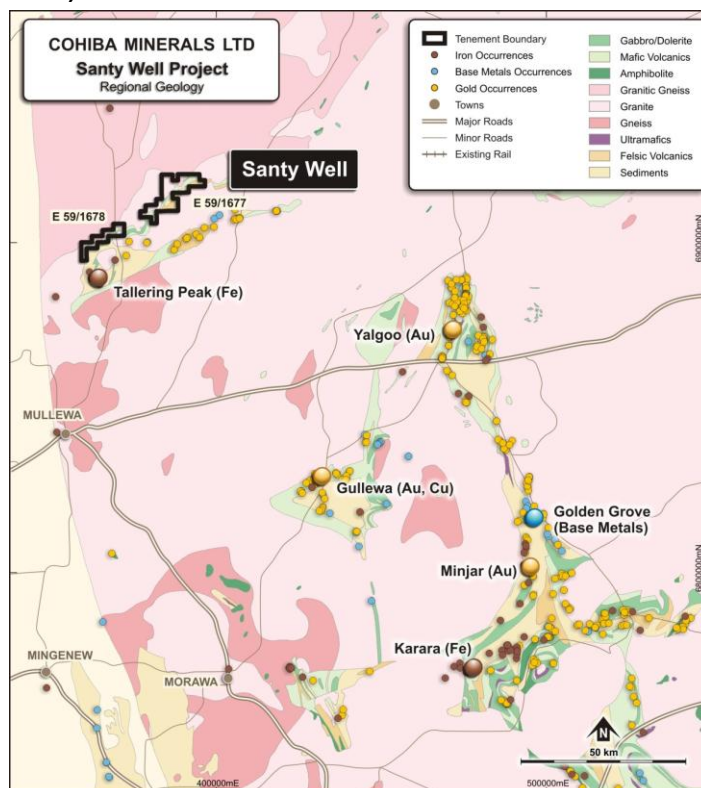
DIRECTORS' REPORT (continued)**Review of Operations (continued)**

Figure 2 – Mid West Regional Geology and Project Location

Previous exploration over the Project has been reasonably extensive with systematic modern surface exploration (surface sampling, rock chip sampling, auger drilling, etc.) completed in part and regional to prospect specific geophysics having been undertaken. This work has defined targets which have been subjected to limited follow up exploration. The main target of this work was Archaean greenstone hosted base metal and gold mineralisation.

Since listing, the Company, together with its Farm-in partner undertook a Heritage Clearance Survey and Consultations with the Native Title Claimants. Following the finalisation of this process the Company is now working with its Farm-in partner to commence on site exploration activities as soon as is practicable.

PROJECT EVALUATION AND APPRAISAL

Since listing, the Company has undertaken preliminary appraisals of a number of resource projects based in Australia and overseas with a view to making a value add acquisition. To date, none of the projects appraised have been advanced beyond this initial process however this is ongoing and the Company will keep shareholders and the wider market informed of any developments in this regard.

FORWARD LOOKING AND EXPLORATION TARGET STATEMENTS

Some statements in this report regarding estimates or future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward looking statements include, but are not limited to, statements concerning the Group's exploration program, outlook, target sizes and mineralised material estimates. They include statements preceded by words such as "expected", "planned", "target", "scheduled", "intends", "potential", "prospective", "seek" and similar expressions.

DIRECTORS' REPORT (continued)**Significant Events Since the end of the period**

On 14 September 2012 the Company moved its Registered Office and Principal Place of Business from Perth, Western Australia to Melbourne, Victoria.

Also on this date, Mr Robinson resigned as a Director of the Company and Company Secretary. He remains an Executive of the Company pursuant to his Executive Services Agreement.

Mr Marc Spicer was appointed as Company Secretary.

Effective 30 September 2012 the Company has terminated the Administration Services Agreement with Cicero Corporate Services Pty Ltd (Cicero).

Effective 1 October 2012, the Company has entered into an agreement with Alerion Corporate Services (Alerion) defining the terms of engagement for the provision of administration services by Alerion as a contractor to the Company. Alerion will provide the head office and principal place of business, company secretarial services, book keeping, accounting services and general administration services to the Company for a monthly fee of \$12,000 plus GST. The agreement is for an initial period of 3 months followed by rolling 3 month engagements. Mr Spicer is an employee of Alerion.

On 19 September 2012 the Company made an investment of \$475,000 for the purchase of 23,750,000 share in Altius Mining Limited (ASX: AYM) at \$0.02.

Operating results for the year

The comprehensive loss of the Company for the financial period, after providing for income tax amounted to \$126,028 (2011: \$33,407).

Review of financial conditions

The Company had \$1,912,506 in cash assets at 30 June 2012 which the Directors believe puts the Company in a sound financial position with sufficient capital to effectively explore its tenements and pursue other resource based opportunities.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

Environmental legislation

The Company is subject to significant environmental and monitoring requirements in respect of its natural resources exploration activities.

The directors are not aware of any significant breaches of these requirements during the period.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

DIRECTORS' REPORT (continued)**Remuneration report (Audited)**

This report outlines the remuneration arrangements in place for directors and senior management of Cohiba Minerals Limited (the "Company") for the financial year ended 30 June 2012.

The following persons acted as directors during or since the end of the financial year:

- Mr Amos Meltzer (Non-Executive Director) (appointed 14 September 2012)
- Mr David Herszberg (Non-Executive Chairman) (appointed 8 May 2012)
- Mr Marc Spicer (Non-Executive Director and Company Secretary) (appointed 30 May 2012)
- Mr James Robinson (Executive Director) (resigned 14 September 2012)
- Mr Matthew Sheldrick (Non-Executive Chairman) (resigned 30 May 2012)
- Mr Simon Coxhell (Non-Executive Director) (resigned 30 May 2012)

The term 'Key Management Personnel' is used in this remuneration report to refer to the following persons. Except as noted the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Mr Amos Meltzer (Non-Executive Director) (appointed 14 September 2012)
- Mr David Herszberg (Non-Executive Chairman) (appointed 8 May 2012)
- Mr Marc Spicer (Non-Executive Director and Company Secretary) (appointed 30 May 2012)
- Mr James Robinson (Executive Director) (resigned 14 September 2012)
- Mr Matthew Sheldrick (Non-Executive Chairman) (resigned 30 May 2012)
- Mr Simon Coxhell (Non-Executive Director) (resigned 30 May 2012)

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

Non-executive director committee

The Non-executive Director Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the directors and the senior management team.

The Non-executive Director Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 16 May 2012 when shareholders approved an aggregate remuneration of up to \$250,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director is entitled to receive a fee for being a director of the Company.

DIRECTORS' REPORT (continued)**Remuneration report (continued)**

The remuneration of non-executive directors for the year ended 30 June 2012 is detailed in the remuneration of key management personnel in Table 1 of this report.

Senior manager and executive director remuneration

Remuneration consists of fixed remuneration and Company options (as determined from time to time). In addition the Company employees and directors, the Company has contracted key consultants on contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

Fixed Remuneration

Fixed remuneration is reviewed annually by the non-executive directors committee (which assumes the role of the Remuneration Committee). The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of the key management personnel is detailed in Table 1.

*Employment Contracts**James Robinson*

The Company entered into an executive services agreement with James Robinson (Services Agreement) effective on and from the date the Company was admitted to the Official List (1 February 2012). Under the Services Agreement, Mr Robinson is engaged by the Company to provide services to the Company in the capacity of Executive Director on a part-time basis of initially no less than 30 hours per week and such additional time as is reasonably necessary. Mr Robinson will be paid an annual remuneration of \$100,000 plus statutory superannuation. Mr Robinson will also be reimbursed for reasonable expenses incurred in carrying out his duties.

The Services Agreement continues for a period of 2 years, with an option to extend for a further 1 year term, unless terminated in accordance with its terms. The Services Agreement contains standard termination provisions under which the Company must give 6 months notice of termination (or shorter period in the event of a material breach), or alternatively, payment in lieu of service. In addition, Mr Robinson is entitled to all unpaid remuneration and entitlements up to the date of termination.

Administration Agreement - Cicero

The Company entered into an agreement with Cicero Corporate Services Pty Ltd (Cicero) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Company. Cicero will provide the head office, company secretarial services, book keeping, accounting services and general administration services to the Company for a monthly fee of \$12,000 plus GST. Cicero may be requested to make available additional services at an hourly rate of \$75 plus GST. The agreement can be terminated by 3 months notice by either party. The Company has terminated the Administration Services Agreement effective 30 September 2012. Mr Robinson is a director and 33.3% shareholder of Cicero.

Administration Agreement - Alerion

Effective 1 October 2012, the Company has entered into an agreement with Alerion Corporate Services (Alerion) defining the terms of engagement for the provision of administration services by Alerion as a contractor to the Company. Alerion will provide the head office and principal place of business, company secretarial services, book keeping, accounting services and general administration services to the Company for a monthly fee of \$12,000 plus GST. The agreement is for an initial period of 3 months followed by rolling 3 month engagements. Mr Spicer is an employee of Alerion.

Options

During the year ended 30 June 2012, there were no options granted as part of director remuneration.

DIRECTORS' REPORT (continued)**Remuneration of key management personnel****Table 1: Directors' and key management personnel remuneration for the year ended 30 June 2012**

	Short-term employee benefits			Post-employment benefits		Equity	Other	Total	%
	Salary & Fees	Bonuses	Non- Monetary Benefits	Superannuation	Prescribed Benefits	Options			Performance Related
Mr James Robinson (resigned 14 September 2012)	41,667	-	-	3,750	-	-	-	45,417	-
Mr David Herszberg	-	-	-	-	-	-	-	-	-
Mr Marc Spicer	-	-	-	-	-	-	-	-	-
Mr Matthew Sheldrick (resigned 30 May 2012)	10,000	-	-	900	-	-	-	10,900	-
Mr Simon Coxhell (resigned 30 May 2012)	16,667	-	-	-	-	-	-	16,667	-
Total	68,334	-	-	4,650	-	-	-	72,984	-

Table 2: Directors' and key management personnel remuneration for the period from 28 January 2011 to 30 June 2011

	Short-term employee benefits			Post-employment benefits		Equity	Other	Total	%
	Salary & Fees	Bonuses	Non- Monetary Benefits	Superannuation	Prescribed Benefits	Options			Performance Related
Mr James Robinson	-	-	-	-	-	-	-	-	-
Mr Matthew Sheldrick	-	-	-	-	-	-	-	-	-
Mr Simon Coxhell	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

End of Remuneration Report

DIRECTORS' REPORT (continued)**Directors' Meetings**

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

Directors	Directors Meetings		Non-executive Directors Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
James Robinson (resigned 14 September 2012)	3	3	-	-
David Herszberg	3	3	1	1
Marc Spicer	2	2	1	1
Matthew Sheldrick (resigned 30 May 2012)	1	1	-	-
Simon Coxhell (resigned 30 May 2012)	1	1	-	-

In addition, there were 9 circular resolutions signed by the board.

Proceedings on behalf of the Company

There are no proceedings on behalf of the Company.

Auditor Independence and Non-Audit Services

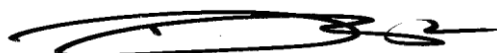
Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 16 and forms part of this directors' report for the year ended 30 June 2012.

Non-Audit Services

Details of amounts paid or payable to the auditors for non-audit services provided during the year by the auditor are outlined in Note 17 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Signed in accordance with a resolution of the directors.



Mr David Herszberg

Chairman

Perth, Western Australia

Dated this 27th day of September 2012

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Cohiba Minerals Limited is responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council ('CGC') published guidelines as well as its corporate governance principles and recommendations.

Cohiba Minerals Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

- Principle 1. Lay solid foundations for management and oversight**
- Principle 2. Structure the board to add value**
- Principle 3. Promote ethical and responsible decision making**
- Principle 4. Safeguard integrity in financial reporting**
- Principle 5. Make timely and balanced disclosure**
- Principle 6. Respect the rights of shareholders**
- Principle 7. Recognise and manage risk**
- Principle 8. Remunerate fairly and responsibly**

Cohiba Minerals Limited's corporate governance practices were in place throughout the year ended 30 June 2012.

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Role and Responsibilities of the Board

The principal responsibilities or functions of the Board are as follows:

- appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- approving and monitoring the budget and the adequacy and integrity of financial and other reporting; and
- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.

STRUCTURE THE BOARD TO ADD VALUE

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report. Directors of Cohiba Minerals Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment. In the context of director independence, 'materiality' is considered from an individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the director in question to shape the direction of the Company's loyalty.

The current directors that are considered independent are:

Mr David Herszberg	Non-executive Chairman
Mr Marc Spicer	Non-executive Director

CORPORATE GOVERNANCE STATEMENT (continued)**STRUCTURE THE BOARD TO ADD VALUE (continued)**

There are procedures in place, agreed by the Board, to enable directors in the furtherance of their duties to seek independent professional advice at the Company's expense.

The term in office held by each director in office at the date of this report is as follows:

<u>Name</u>	<u>Term in Office</u>
Mr Amos Meltzer	1 month
Mr David Herszberg	5 months
Mr Marc Spicer	4 months

Performance

The performance of the Board and key executives is reviewed regularly. The performance criteria against which directors and executives are assessed are aligned with the financial and non-financial objectives of Cohiba Minerals Limited. Directors whose performance is consistently unsatisfactory may be asked to retire.

Nomination Committee

Notification of Departure: The Board has not established a separate Nomination Committee as per ASX Best Practice Recommendation 2.4.

Explanation for Departure: The Board considers that the Company is not of a size nor are its affairs of such complexity to justify formation of a nomination committee. The board has formed a Non-executive Directors Committee which among other tasks has assumed the role and responsibility of the Nomination Committee. The Board as a whole also undertakes the process of reviewing the skill base and experience of existing Directors to enable identification of attributes required in new Directors.

Non-executive Directors Committee

The Non-executive Directors Committee of the Board of Directors of the Company assumes the responsibility of the following committees:

- Nomination Committee
- Audit Committee
- Remuneration Committee, including performance review of key executives

A Non-executive Directors committee operated during the period and consisted of:

- Mr David Herszberg
- Mr Marc Spicer

Mr Marc Spicer has been appointed the Chair of the Non-executive Directors Committee; he is not the Chairman of the Company.

PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING**Code of Conduct**

The Board has adopted a written Board Code of Conduct which applies to the Directors of the Company. The Board has also adopted a written Code of Conduct which applies to employees and key consultants of the Company and supplements the Board Code of Conduct.

The Company is dedicated to delivering outstanding performance for investors and employees. In achieving this objective, Directors, officers and employees are expected to act with honesty, integrity and responsibility and maintain a strong sense of corporate and social responsibility. In maintaining its corporate and social responsibility the Company will conduct its business ethically and according to its values, consider the environment and ensure a safe, non-discriminatory and supportive workplace.

CORPORATE GOVERNANCE STATEMENT (continued)**PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING (continued)****Diversity Policy**

The Company is committed to workplace diversity and to ensuring a diverse mix of skills and talent exists amongst its Directors, officers and employees, to enhance Company performance. The Board has adopted a Diversity Policy which addresses equal opportunities in the hiring, training and career advancement of Directors, officers and employees.

Notification of Departure: The Company has not disclosed in its annual report its measurable objectives for achieving gender diversity and progress towards achieving them as per ASX Best Practice Recommendation 3.3.

Explanation for Departure: The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company. Due to the size of the Company and its small number of employees, the Board does not consider it appropriate at this time, to formally set measurable objectives for gender diversity.

Trading Policy

The Board has adopted a policy in relation to dealings in the securities of the Company which applies to all Directors and employees. Under the policy, Directors are prohibited from short term trading in the Company's securities and Directors and employees are prohibited from dealing in the Company's securities whilst in possession of price sensitive information. The Chairman, or in his absence, the Company Secretary, must be notified of any proposed transaction and must give clearance for the transaction to proceed.

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**Audit Committee**

Notification of Departure: The Board has not established a separate Audit Committee as per ASX Best Practice Recommendation 4.1.

Explanation for Departure: The Board has not established an Audit Committee, however it has established a Non-executive Directors Committee that assumes the role of the audit committee, which meets at least annually to deal with the Audit Committee's responsibilities, and operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non financial considerations such as the benchmarking of operational key performance indicators. The Board has assumed responsibility for establishing and maintaining a framework of internal control and ethical standards during the year.

The primary purpose of the Non-executive Directors Committee that fulfils the role of the Audit Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- (a) the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- (b) compliance with all applicable laws, regulations and company policy;
- (c) the effectiveness and adequacy of internal control processes;
- (d) the performance of the Company's external auditors and their appointment and removal;
- (e) the independence of the external auditor and the rotation of the lead engagement partner; and
- (f) the identification and management of business risks.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

CORPORATE GOVERNANCE STATEMENT (continued)**MAKE TIMELY AND BALANCED DISCLOSURE**

The Board is committed to the promotion of investor confidence by ensuring that trading in the Company's securities takes place in an efficient, competitive and informed market. In accordance with the continuous disclosure requirements under the ASX Listing Rules, the Company has procedures in place to ensure that any price sensitive information is identified, reviewed by Directors and management and disclosed to ASX in a timely manner and that all information provided to ASX is immediately available to shareholders and the market on the Company's website.

RESPECT THE RIGHTS OF SHAREHOLDERS

The Board aims to ensure that shareholders are kept informed of all major developments affecting the Company. Information is communicated to shareholders as follows:

- as the Company is a disclosing entity, regular announcements are made to Australian Securities Exchange and to include half-year accounts and year-end financial report;
- the Board ensures the annual report includes relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments; and
- the Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification of the Company's strategies and goals.

RECOGNISE AND MANAGE RISK

The identification, prioritization and effective management of risk, including calculated risk-taking, is viewed as an essential part of the Company's approach to creating long-term shareholder value. Strategic and operational risks are reviewed at least annually as part of the annual strategic planning, business planning, forecasting and budgeting process.

The Company has developed a series of operational risks which the Company believes to be reflective of the industry and geographical locations in which the Company operates. These risk areas are provided here to assist investors to have an understanding of risks faced by the Company and the industry in which we operate. The key risks are, and not limited to:

- fluctuations in commodity prices and exchange rates;
- success or otherwise of exploration activities;
- reliance on licenses, permits and approvals from governmental and land owners authorities;
- loss of key management;
- ability to obtain additional financing; and
- changed operating, market or regulatory environments.

Risk Management Roles and Responsibilities

The Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is mitigated to an acceptable level. The Board will review and discuss strategic risks and opportunities as they arise and arising from changes in the Company's business environment regularly and on an as need basis. The board may delegate some of the abovementioned responsibility to management and committees of the board but maintain the overall responsibility for the process.

Management is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Management reports to the Board at least annually, or more frequently as required, on the Company's key risks and the extent to which it believes these risks are being managed.

In 2012 the Board reviewed the overall risk profile for the Company and received reports from management on the effectiveness of the Company's management of its material business risks.

CORPORATE GOVERNANCE STATEMENT (continued)**Integrity of Financial Reporting**

The Board receives regular reports about the financial condition, operating results and budgets of the Company. The Executive Director provides a formal statement to the Board annually that in all material respects and to the best of his knowledge and belief:

- the Company's financial reports present a true and fair view of the Company's financial condition and operational results are in accordance with relevant accounting standards; and
- the Company's risk management and internal control systems are sound, appropriate and operating efficiently and effectively.

REMUNERATE FAIRLY AND RESPONSIBLY

Notification of Departure: The Board has not established a separate Remuneration Committee as per ASX Best Practice Recommendation 8.1.

Explanation for Departure: The Board has not established a Remuneration Committee, however it has established a Non-executive Directors Committee that assumes the role of the Remuneration committee, which meets at least annually to deal with the Remuneration Committee responsibilities, and operates under a charter approved by the Board.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Non-executive Directors/ Remuneration Committee reviews the nature and amount of executive directors' and officers' emoluments to the Company's financial and operational performance, however no performance pay is provided. Key Executives are issued with Company Options.

The expected outcomes of the remuneration structure are:

- retention and motivation of key executives;
- attraction of high quality management to the Company; and
- Company options allow executives to share the success of Cohiba Minerals Limited.

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period please refer to the remuneration report, which is contained within the Directors' Report.

There is no scheme to provide retirement benefits, other than statutory superannuation to directors.



Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Cohiba Minerals Limited for the year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cohiba Minerals Limited.

A handwritten signature in blue ink, appearing to read 'Norman G. Neill'.

Perth, Western Australia
27 September 2012

N G NEILL
Partner, HLB Mann Judd

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
			(Period from 28 Jan to 30 June 2011)
Other income	2	51,235	832
Legal fees		(14,252)	(28,030)
Other expenses	2	(163,011)	(6,209)
Loss before income tax expense		(126,028)	(33,407)
Income tax expense	3	-	-
Loss after tax expense		(126,028)	(33,407)
Net loss for the period		(126,028)	(33,407)
Other comprehensive income		-	-
Total comprehensive loss for the period		(126,028)	(33,407)
Basic loss per share (cents per share)	4	(1.09)	(1.46)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
Assets			
Current Assets			
Cash and cash equivalents	7	1,912,506	26,828
Trade and other receivables	8	44,434	86,975
Total Current Assets		1,956,940	113,803
Non-Current Assets			
Deferred exploration expenditure	9	66,191	9,991
Total Non-Current Assets		66,191	9,991
Total Assets		2,023,131	123,794
Liabilities			
Current Liabilities			
Trade and other payables	10	24,705	10,700
Total Current Liabilities		24,705	10,700
Total Liabilities		24,705	10,700
Net Assets		1,998,426	113,094
Equity			
Issued capital	6	2,151,361	140,001
Reserves	6	6,500	6,500
Accumulated losses		(159,435)	(33,407)
Total Equity		1,998,426	113,094

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Issued Capital	Accumulated Losses	Option Reserves	Total Equity
	\$	\$	\$	\$
Balance as at 28 January 2011	-	-	-	-
Loss for the period	-	(33,407)	-	(33,407)
Total comprehensive (loss) for the period	-	(33,407)	-	(33,407)
Shares issued during the period	140,001	-	-	140,001
Options issued during the period	-	-	6,500	6,500
Balance at 30 June 2011	140,001	(33,407)	6,500	113,094
Balance as at 1 July 2011	140,001	(33,407)	6,500	113,094
Loss for the year	-	(126,028)	-	(126,028)
Total comprehensive (loss) for the year	-	(126,028)	-	(126,028)
Shares issued during the year	2,250,000	-	-	2,250,000
Transaction costs on share issue	(238,640)	-	-	(238,640)
Balance at 30 June 2012	2,151,361	(159,435)	6,500	1,998,426

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
		Inflows/(Outflows)	Inflows/(Outflows)
Cash flows from operating activities			(Period from 28 Jan to 30 June 2011)
Payments to suppliers and employees		(175,796)	(33,249)
Interest received		36,735	832
Net cash (used in) operating activities	7	(139,061)	(32,417)
Cash flows from investing activities			
Payments for exploration and evaluation expenditure		(61,800)	(9,991)
Net cash (used in) investing activities		(61,800)	(9,991)
Cash flows from financing activities			
Proceeds from issue of shares and options		2,250,000	146,501
Payment for share issue costs		(163,461)	(77,265)
Net cash provided by financing activities		2,086,539	69,236
Net increase in cash held		1,885,678	26,828
Cash and cash equivalents at the beginning of the period	7	26,828	-
Cash and cash equivalents at the end of the period		1,912,506	26,828

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial report has also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The Company is a public company that was listed on the Australian Stock Exchange (ASX) on 1 February 2012. The Company is incorporated in Australia and operates in Australia. The entity's principal activity is exploration for natural resources.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

Standards and Interpretations adopted with no effect on the financial statements:

In the year ended 30 June 2012, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of any other new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

Standards and Interpretations in issue not yet adopted:

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2012. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

(c) Statement of compliance

The financial report was authorised for issue on 27 September 2012.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions:

The Company measures the cost of equity-settled transactions by reference to the fair value of the services provided. Where the services provided cannot be reliably estimated fair value is measure by reference to the fair value of by the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black and Scholes model.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(f) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and other receivables

Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(h) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(j) Impairment of assets**

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities if payment is due within 12 months.

(l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Share-based payment transactions

(i) Equity settled transactions:

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Cohiba Minerals Limited (market conditions) if applicable.

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(ii) Cash settled transactions:

The Company also provides benefits to employees in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of Cohiba Minerals Limited.

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is re-measured to fair value at each balance date up to and including the settlement date with changes in fair value recognised in profit or loss.

(n) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Earnings per share

Basic earnings per share is calculated as net profit or loss, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Earnings per share (continued)

Diluted earnings per share is calculated as net profit or loss, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(q) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Cohiba Minerals Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 2: REVENUES AND EXPENSES

	2012 \$	2011 \$
		(Period from 28 Jan to 30 June 2011)
(a) Other income		
Interest income	51,235	832
	<u>51,235</u>	<u>832</u>
(b) Expenses		
Accounting and audit fees	22,381	394
Administrative expenses	13,052	1,308
Computer and software expenses	-	3,362
Directors' fees	16,667	-
Employee benefits expense	56,317	-
Insurance expenses	3,354	-
Rent	36,000	-
Travel and promotional expenses	10,234	1,145
Other expenses	5,006	-
	<u>163,011</u>	<u>6,209</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 3: INCOME TAX

Current tax expense

	2012 \$	2011 \$
		(Period from 28 Jan to 30 June 2011)
(a) Income tax benefit	-	-
(b) Numerical reconciliation between tax-expense and pre-tax net loss		
Loss from ordinary activities	(126,028)	(33,407)
Income tax using the Company's domestic tax rate of 30% (2011: 30%)	(37,808)	(10,022)
Non – deductible expenses / (deductible tax adjustments)	353	-
Other timing differences not recognized	(17,318)	-
Current year losses for which no deferred tax asset was recognised	54,773	10,022
Income tax benefit attributable to entity	-	-

(c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised have not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Company satisfying the requirements imposed by the regulatory authorities. As at 30 June 2012 the Company has estimated tax losses to carry forward of \$215,985 (30 June 2011: \$33,407). The benefit of deferred tax assets not brought to account will only be brought to account if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realized.
- The conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely effect of the Company in realising the benefit.

(d) Unrecognised temporary differences

Net deferred tax balances (calculated at 30%) have not been recognised in respect of the following items:

Income tax losses not brought to account	64,795	13,019
Deferred exploration expenditure	(19,857)	(2,997)
Unrecognised deferred tax assets relating to the above temporary differences	44,938	10,022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 4: LOSS PER SHARE

	2012	2011
	Cents per share	Cents per share
<i>Basic loss per share</i>		
Continuing operations	(1.09)	(1.46)
	\$	\$
Earnings	(126,028)	(33,407)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share:	11,610,656	2,282,192

There are no potential ordinary shares that are considered dilutive, as a result no dilutive earnings per share has been disclosed.

NOTE 5: SEGMENT REPORTING

Identification of reportable segments

The Company has identified its operating segments based on the investment decisions of the board and used by the chief operating decision makers in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of its interests and projects. Discrete financial information about each of these projects is reported to the chief operating decision makers regularly.

Location of interests and nature of projects

Western Australia

Cohiba Minerals Limited has entered in to a farm-in agreement whereby it has the exclusive right to earn an initial 50% interest in the mineral rights (excluding iron ore) within two granted tenements in the Mid West region of Western Australia – the Santy Well Project – from West Peak Iron Limited.

The Santy Well Project is considered to be prospective for precious and base metals mineralisation associated with the Talling Greenstone sequence in the Mid West region of Western Australia.

Accounting policies and inter-segment transactions

The accounting policies used by the Company in reporting segments internally are the same as those contained in Note (1) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 5: SEGMENT REPORTING (continued)

Geographical segments

	Exploration Activities		
	Australia	Unallocated	Total
	\$	\$	\$
30 June 2012			
Segment revenue	-	51,235	51,235
Other expenses	-	(177,263)	(177,263)
Segment result	-	(126,028)	(126,028)
Unallocated revenues and expenses			126,028
Results from operating activities			-
Segment assets	66,191	1,956,940	2,023,131
Segment liabilities	-	(24,705)	(24,705)
	Exploration Activities		
	Australia	Unallocated	Total
	\$	\$	\$
30 June 2011			
Segment revenue	-	832	832
Other expenses	-	(34,239)	(34,239)
Segment result	-	(33,407)	(33,407)
Unallocated revenues and expenses			33,407
Results from operating activities			-
Segment assets	9,991	113,803	123,794
Segment liabilities	-	(10,700)	(10,700)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 6: ISSUED CAPITAL

	2012 \$	2011 \$
		(Period from 28 Jan to 30 June 2011)
Ordinary shares		
Balance at the beginning of the period	140,001	1
Shares issued	2,250,000	140,000
Less share issue costs	(238,640)	-
Balance at the end of the period	2,151,361	140,001

<i>Movements in ordinary shares on issue</i>	No.	No.
Balance at the beginning of the period	7,000,000	1
Movements during the period:		
Shares issued	11,250,000	6,999,999
Balance at the end of the period	18,250,000	7,000,000

Ordinary shareholders entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Company Options	\$	\$
Balance at the beginning of the period	6,500	-
Options issued	-	6,500
Balance at the end of the period	6,500	6,500

<i>Movements in Company Options on issue</i>	No.	No.
Balance at the beginning of the period	6,500,000	-
Movements during the period:		
Options issued	-	6,500,000
Balance at the end of the period	6,500,000	6,500,000

Company options carry no voting rights and carry no right to dividends. Company options are unlisted. 6,500,000 Company options are exercisable at \$0.20 on or before 30 June 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 7: CASH AND CASH EQUIVALENTS

	2012	2011
	\$	\$
Cash on hand and at bank	1,912,506	26,828
	1,912,506	26,828

Cash at bank earns interest at floating rates based on daily deposit rates.

The Company did not engage in any non-cash financing activities for the year ended 30 June 2012 and was not party to any borrowing facilities for the same period.

Reconciliation of loss for the year to net cash flows from operating activities

Comprehensive (loss) for the period	(126,028)	(33,407)
Adjustments for:		
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables and prepayments	(18,138)	(5,212)
Increase/(decrease) in trade payables and accruals	5,105	6,202
Net cash (used in) operating activities	(139,061)	(32,417)

NOTE 8: TRADE AND OTHER RECEIVABLES

Goods and services tax receivables	23,351	5,212
Accrued interest	14,500	-
Prepayments	6,583	81,763
Trade and other receivables balance at 30 June	44,434	86,975

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 9: DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of:

Exploration and evaluation phase – at cost

	2012 \$	2011 \$
Balance at the beginning of period	9,991	-
Expenditure incurred		
Santy Well	56,200	9,991
Total Exploration Expenditure balance at 30 June	66,191	9,991

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the discovery of commercially viable mineral or other natural resource deposits and their successful development and commercial exploration or sale of the respective mining areas.

NOTE 10: TRADE AND OTHER PAYABLES (CURRENT)

Trade payables*	14,705	7,046
Accrued expenses	10,000	3,654
Balance at 30 June	24,705	10,700

* Trade payables are non-interest bearing and are normally settled on 60-day terms

NOTE 11: FINANCIAL INSTRUMENTS

Financial assets

Receivables	44,434	86,975
Cash and cash equivalents	1,912,506	26,828
Balance at end of period	1,956,940	113,803

Financial liabilities

Trade and other payables	24,705	10,700
Balance at end of period	24,705	10,700

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 11: FINANCIAL INSTRUMENTS (continued)

The following table details the expected maturities for the Company's non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than 1 month \$	1 – 3 Months \$	3 months – 1 year \$	1 – 5 year s \$	5+ years \$
2012						
Non-interest bearing	-	44,434	-	-	-	-
Variable interest rate instruments	2.24	62,506	-	-	-	-
Fixed interest rate instruments	5.12	-	1,850,000	-	-	-
		106,940	1,850,000	-	-	-
2011						
Non-interest bearing	-	86,975	-	-	-	-
Variable interest rate instruments	-	26,828	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		113,803	-	-	-	-

The following tables detail the Company's remaining contractual maturity/s for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 1 month \$	1 – 3 Months \$	3 months – 1 year \$	1 – 5 year s \$	5+ years \$
2012						
Non-interest bearing	-	24,705	-	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		24,705	-	-	-	-
2011						
Non-interest bearing	-	10,700	-	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		10,700	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 11: FINANCIAL INSTRUMENTS (continued)

The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

Financial risk management objectives and policies:

The Company has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Market risk
- Capital risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the Company. The Company also has other financial instruments such as trade debtors and creditors which arise directly from its operations. For the year under review, it has been the Company's policy not to trade in financial instruments.

(a) Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. An example is that the Company only dealt with the NAB for Term Deposits during the year. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers and suppliers.

The Company's exposure and the credit ratings of its counter-parties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually.

The Company does not have any significant credit risk exposure to the NAB. The credit risk on liquid funds and Term Deposits is reduced because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company did not have any undrawn facilities at its disposal as at balance date.

(c) Interest rate risk management

The Company is exposed to interest rate risk as the Company deposits the bulk of the Company's cash reserves in Short Term Deposits with the NAB or other acceptable Australian Banking entities. The risk is managed by the Company by maintaining an appropriate mix between short term deposits and at call deposits. The Company's exposure to interest rate on financial assets is detailed in the interest rate risk sensitivity analysis section of this note.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 11: FINANCIAL INSTRUMENTS (continued)

Interest rate risk sensitivity analysis

The sensitivity analyses below have been determined based on the Company's cash and cash equivalent exposure to interest rates. A 100 basis point increase or decrease is used when reporting interest rate risk. The Company's sensitivity to interest rates may decrease during the current period depending on the use of the cash reserves of the Company.

The effect on loss and equity as a result of change in the interest rate, with all other variables remaining constant would be as follows:

	2012 \$	2011 \$
Change in Loss		
Increase in interest rate by 1%	512	112
Decrease in interest rate by 1%	(512)	(112)
Change in Equity		
Increase in interest rate by 1%	512	112
Decrease in interest rate by 1%	(512)	(112)

(a) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to movements in market interest rates on short term deposits. The Company does not have short or long term debt, and therefore the risk is minimal. The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have acceptable credit ratings.

The Company may be exposed to currency risk on international investments and purchases that are denominated in a currency other than the respective currencies of the Company. As the Company has no international projects it is not currently exposed to currency risk, however may be exposed to currency risk if it acquires an international project. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(b) Capital Risk Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. Due to the nature of the Company's activities, being mineral exploration, it does not have ready access to credit facilities and therefore is not subject to any externally imposed capital requirements, with the primary source of Company funding being equity raisings. Accordingly, the objective of the Company's capital risk management is to balance the current working capital position against the requirements to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 12: COMMITMENTS AND CONTINGENCIES

Officers' Remuneration Commitments

The Company entered into an executive services agreement with James Robinson (Executive Services Agreement) effective as from ASX listing (1 February 2012). Under the Executive Services Agreement, Mr Robinson is engaged to provide services to the Company in the capacity of Executive Director, based in Perth, Western Australia. Mr Robinson is to be paid an annual remuneration of \$100,000 plus statutory superannuation. Mr Robinson will also be reimbursed for reasonable expenses incurred in carrying out his duties.

The Services Agreement continues for a period of 2 years, with an option to extend for a further 1 year term, unless terminated in accordance with its terms. The Services Agreement contains standard termination provisions under which the Company must give 6 months notice of termination (or shorter period in the event of a material breach), or alternatively, payment in lieu of service. In addition, Mr Robinson is entitled to all unpaid remuneration and entitlements up to the date of termination.

Administration Agreement - Cicero

The Company entered into an agreement with Cicero Corporate Services Pty Ltd (Cicero) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Company. Cicero will provide the head office, company secretarial services, book keeping, accounting services and general administration services to the Company for a monthly fee of \$12,000 plus GST. Cicero may be requested to make available additional services at an hourly rate of \$75 plus GST. The agreement can be terminated by 3 months notice by either party. The Company has terminated the Administration Services Agreement effective 30 September 2012. Mr Robinson is a director and 33.3% shareholder of Cicero.

Administration Agreement - Alerion

Effective 1 October 2012, the Company has entered into an agreement with Alerion Corporate Services (Alerion) defining the terms of engagement for the provision of administration services by Alerion as a contractor to the Company. Alerion will provide the head office and principal place of business, company secretarial services, book keeping, accounting services and general administration services to the Company for a monthly fee of \$12,000 plus GST. The agreement is for an initial period of 3 months followed by rolling 3 month engagements. Mr Spicer is an employee of Alerion.

Project Related Commitments and Contingencies

	2012 \$	2011 \$
Commitments for exploration expenditure on Western Australian Projects		
Not longer than 1 year	44,000	100,000
Longer than 1 year and less than 2 years	-	-
Longer than 2 year and less than 5 years	-	-

Tenement Related Commitments and Contingencies

Western Australia

On 19 May 2011 the Company entered in to a farm-in agreement whereby it has the exclusive right to earn an initial 50% interest in the mineral rights (excluding iron ore) within two granted tenements (E59/1677 and E59/1678) in the Mid West region of Western Australia – the Santy Well Project – from West Peak Iron Limited through the sole funding of \$100,000 of exploration expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 13: DIRECTORS AND EXECUTIVES DISCLOSURES

(a). Details of Directors' and Executives

The following persons were directors and executives of Cohiba Minerals Limited during the financial year:

- David Herszberg Non-Executive Chairman (appointed 8 May 2012)
- Amos Meltzer Non-Executive Director (appointed 14 September 2012)
- Marc Spicer Non-Executive Director (appointed 30 May 2012)
- James Robinson Managing Director and Company Secretary (resigned 14 September 2012)
- Matthew Sheldrick Non-Executive Chairman (resigned 30 May 2012)
- Simon Coxhell Non-Executive Director (resigned 30 May 2012)

(b) Option holdings of Directors and Executives

30 June 2012	Balance at Beginning	Granted as Remuneration	Options Exercised	Net Change Other	Balance at end of Period
Directors					
James Robinson	2,500,000	-	-	-	2,500,000
Matthew Sheldrick *	1,000,000	-	-	-	1,000,000
Simon Coxhell	-	-	-	-	-
Marc Spicer	-	-	-	-	-
David Herszberg	-	-	-	200,000	200,000
Total	3,500,000	-	-	200,000	3,700,000

* Balance at date of resignation

30 June 2011	Balance at Beginning	Granted as Remuneration	Options Exercised	Net Change Other	Balance at end of Period
Directors					
James Robinson	-	-	-	2,500,000	2,500,000
Matthew Sheldrick	-	-	-	1,000,000	1,000,000
Simon Coxhell	-	-	-	-	-
Total	-	-	-	3,500,000	3,500,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 13: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(c) Shareholdings of Directors and Executives

30 June 2012	Balance at Beginning	Received as Remuneration	On Exercise of Options	Net Change Other	Balance at end of Period
Directors					
James Robinson	2,000,000	-	-	-	2,000,000
Matthew Sheldrick *	250,000	-	-	-	250,000
Simon Coxhell	-	-	-	-	-
Marc Spicer	-	-	-	-	-
David Herszberg	-	-	-	750,000	750,000
Total	2,250,000	-	-	750,000	3,000,000

* Balance at date of resignation

30 June 2011	Balance at Beginning	Received as Remuneration	On Exercise of Options	Net Change Other	Balance at end of Period
Directors					
James Robinson	-	-	-	2,000,000	2,000,000
Matthew Sheldrick	-	-	-	250,000	250,000
Simon Coxhell	-	-	-	-	-
Total	-	-	-	2,250,000	2,250,000

NOTE 14: RELATED PARTY DISCLOSURES

The Company entered into an agreement with Cicero Corporate Services Pty Ltd (Cicero) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Company. Cicero will provide the head office and principle place of business, company secretarial services, book keeping, accounting services and general administration services to the Company for a monthly fee of \$12,000 plus GST. Cicero may be requested to make available additional services at an hourly rate of \$75 plus GST. The agreement can be terminated by 3 months notice by either party. Mr Robinson holds a 33.3% interest in Cicero. The Company has terminated the Administration Services Agreement effective 30 September 2012

Effective 1 October 2012, the Company has entered into an agreement with Alerion Corporate Services (Alerion) defining the terms of engagement for the provision of administration services by Alerion as a contractor to the Company. Alerion will provide the head office and principal place of business, company secretarial services, book keeping, accounting services and general administration services to the Company for a monthly fee of \$12,000 plus GST. The agreement is for an initial period of 3 months followed by rolling 3 month engagements. Mr Spicer is an employee of Alerion.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 15: EVENTS AFTER THE BALANCE DATE

On 14 September 2012 the Company moved its Registered Office and Principal Place of Business from Perth, Western Australia to Melbourne, Victoria.

Also on this date, Mr Robinson resigned as a Director of the Company and Company Secretary. He remains an Executive of the Company pursuant to his Executive Services Agreement.

Mr Marc Spicer was appointed as Company Secretary.

Effective 30 September 2012 the Company has terminated the Administration Services Agreement with Cicero Corporate Services Pty Ltd (Cicero).

Effective 1 October 2012, the Company has entered into an agreement with Alerion Corporate Services (Alerion) defining the terms of engagement for the provision of administration services by Alerion as a contractor to the Company. Alerion will provide the head office and principal place of business, company secretarial services, book keeping, accounting services and general administration services to the Company for a monthly fee of \$12,000 plus GST. The agreement is for an initial period of 3 months followed by rolling 3 month engagements. Mr Spicer is an employee of Alerion.

On 19 September 2012 the Company made an investment of \$475,000 for the purchase of 23,750,000 share in Altius Mining Limited (ASX: AYM) at \$0.02.

NOTE 16: DIVIDENDS

The directors of the Company have not declared any dividend for the period ended 30 June 2012.

NOTE 17: AUDITOR'S REMUNERATION

The auditor of Cohiba Minerals Limited is HLB Mann Judd.

Amounts received or due and receivable by HLB Mann Judd for:

Audit or review of the financial statements

An Independent Accountant's Report prepared for the Company's Prospectus

Total

2012 \$	2011 \$
11,000	-
-	5,000
11,000	5,000

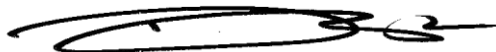
NOTE 18: AMOUNTS OWING TO DIRECTORS AND OFFICERS

No amounts were owing to the Directors or officers at the end of the financial year.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Cohiba Minerals ('the Company'):
 - a. the financial statements and notes of the company are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year then ended; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. The financial statements and note thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

This declaration is signed in accordance with a resolution of the Board of Directors.



Mr David Herszberg
Chairman

Perth, Western Australia

Dated this 27th day of September 2012



Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Cohiba Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Cohiba Minerals Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Cohiba Minerals Limited.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report of Cohiba Minerals Limited complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Accountants | Business and Financial Advisers

Matters relating to the electronic presentation of the audited financial report and remuneration report

This auditor's report relates to the financial report and remuneration report of Cohiba Minerals Limited for the financial year ended 30 June 2012 published in the annual report and included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial report and remuneration report. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report and remuneration report. If users of the financial report and remuneration report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information contained in this website version of the financial report and remuneration report.

Auditor's opinion

In our opinion:

- (a) the financial report of Cohiba Minerals Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(c).

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Cohiba Minerals Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB MANN JUDD
Chartered Accountants

A handwritten signature in blue ink that reads 'Norman Neill'.

N G NEILL
Partner

Perth, Western Australia
27 September 2012

ADDITIONAL SHAREHOLDER INFORMATION

A. Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the period is contained within the Director's Report.

B. Shareholding

1. Substantial Shareholders

There were four substantial shareholders as at the balance date:

- i) Rokeba Nominees Proprietary Limited <Silman Property A/C> holds 3,500,000 ordinary shares or 19.18% of the voting rights in the Company
- ii) New Hopetoun Pty Ltd holds 3,250,000 ordinary shares or 17.81% of the voting rights in the Company
- iii) Sabreline Pty Ltd <JPR Investment A/C> holds 2,000,000 ordinary shares or 10.96% of the voting rights in the Company
- iv) The Trust Company (Australia) Limited <MOF A/C> holds 1,392,5000 ordinary shares or 7.63% of the voting rights in the Company

2. Number of holders in each class of equity securities and the voting rights attached (as at 24 September 2012)

Ordinary Shares

There are 253 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

In accordance with the Company's Constitution, on a show of hands every number present in person or by proxy or attorney or duly authorized representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorized representative has one vote for every fully paid ordinary share held.

Options

There are 8 holders of unlisted options. There are no voting rights attached to these options.

3. Distribution schedule of the number of holders in each class of equity security as at 24 September 2012.

a) Fully Paid Ordinary Shares

Spread of holdings	Holders	Securities	% of Issued Capital
NIL holding			
1 - 1,000	3	3	0.00%
1,001 - 5,000	4	13,465	0.07%
5,001 - 10,000	194	1,939,999	10.63%
10,001 - 100,000	29	1,585,000	8.68%
100,001 -	22	14,711,533	80.61%
Total on register	252	18,250,000	100.00%

b) Unlisted Options exercisable at \$0.20 on or before 30 June 2014

Spread of holdings	Holders	Securities	% of Issued Capital
NIL holding			
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	1	50,000	0.77%
100,001 -	7	6,450,000	99.23%
Total on register	8	6,500,000	100.00%

ADDITIONAL SHAREHOLDER INFORMATION (Continued)**4. Marketable Parcel**

There are 5 shareholders with less than a marketable parcel of \$500 based on a share price of \$0.19.

5. Twenty largest holders of each class of quoted equity security

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 24 September 2012) is as follows:

Ordinary Shares Top 20 holders and percentage held

Pos	Holder name	Designation	Securities	% of issued
1	ROKEBA NOMINEES PROPRIETARY LIMITED	<SILMAN PROPERTY A/C>	3,500,000	19.18%
2	NEW HOPETOUN PTY LTD		3,250,000	17.81%
3	SABRELINE PTY LTD	<JPR INVESTMENT A/C>	2,000,000	10.96%
4	THE TRUST COMPANY (AUSTRALIA) LIMITED	<MOF A/C>	1,442,500	7.90%
5	MR MATHEW DONALD WALKER		760,000	4.16%
6	YAD INVESTMENTS PTY LTD		500,000	2.74%
7	MR RICHARD STUART DONGRAY & MRS JOAN DONGRAY	<SUPER FUND A/C>	375,000	2.05%
8	LETTERED MANAGEMENT PTY LTD	<BALMORAL FAMILY A/C>	375,000	2.05%
9	COPIAPO METALS PTY LTD		250,000	1.37%
10	YAD INVESTMENTS PTY LTD		250,000	1.37%
11	MR YOSSEI KLEIN & MRS GILA KLEIN	<KLEIN SUPERANNUATION FUND>	250,000	1.37%
12	MR YING WANG		250,000	1.37%
13	MR MATTHEW SHELDRIK	<MATTHEW SHELDRIK FAMILY A/C>	225,000	1.23%
14	MR SIMON PODOLSKY & MRS JEANETTE CLARE PODOLSKY	<PODOLSKY FAMILY SUPER A/C>	202,499	1.11%
15	MR WILLIAM DAVID KEITH & MRS MARGARET DOROTHY KEITH		165,000	0.90%
16	L G ROBINSON PTY LTD	<L & C ROBINSON S/FUND A/C>	150,000	0.82%
17	MR DAVID JOHN BATMAN HOWARD & MRS LYNNE HOWARD	<THE HOWARD SUPER FUND A/C>	150,000	0.82%
18	TEMPLEFIELD PTY LTD	<M SILMAN SUPER FUND A/C>	150,000	0.82%
19	SAVANNA CAPITAL PTY LTD		135,000	0.74%
20	MR PAUL SIMON DONGRAY	<THE DONGRAY FAMILY NO 2 A/C>	125,000	0.68%
** Top 20 total -			14,504,999	79.48%
** Balance total -			3,745,001	20.52%

ADDITIONAL SHAREHOLDER INFORMATION (Continued)**Unlisted options exercisable at \$0.20 on or before 30 June 2014 Top 20 holders and percentage held**

Pos	Holder name	Designation	Securities	% of issued
1	SABRELINE PTY LTD	<JPR INVESTMENT A/C>	2,500,000	38.46%
2	ROKEBA NOMINEES PROPRIETARY LIMITED	<SILMAN PROPERTY A/C>	1,500,000	23.08%
3	BOBARINO PTY LTD		1,000,000	15.38%
4	SILKMAN CONSULTANTS PTY LTD		500,000	7.69%
5	MR MATHEW DONALD WALKER		500,000	7.69%
6	MR CHARLES BROH & MRS TIKVA BROH	<ALEXADORA SUPER FUND A/C>	250,000	3.85%
7	YAD INVESTMENTS PTY LTD		200,000	3.08%
8	MR SIMON PODOLSKY & MRS JEANETTE CLARE PODOLSKY	<PODOLSKY FAMILY S/F A/C>	50,000	0.77%
** Top 20 total -			6,500,000	100.00%
** Balance total -			0	0.00%

ADDITIONAL SHAREHOLDER INFORMATION (Continued)**1. Company Secretary**

The name of the Company secretary is Marc Spicer.

2. Address and telephone details of the Company's registered administrative office and principle place of business:

Level 1, 34-36 Punt Road
Windsor VIC 3181
Telephone: (03) 8306 9930
Fax: (03) 9936 3684
admin@cohibaminerals.com.au

3. Address and telephone details of the office at which a registry of securities is kept:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

4. Securities exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Securities Exchange.

5. Restricted Securities

The Company has 3,599,999 shares escrowed until 1 February 2014.

The Company has 6,000,000 unlisted options escrowed until 1 February 2014.

6. Review of Operations

A review of operations is contained in the Directors' Report.

7. Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily exploration for natural resources and acquisition of resource based projects.