Cohiba Minerals Limited

ABN 72 149 026 308

Annual Financial Report
30 June 2014

CORPORATE INFORMATION

ABN 72 149 026 308

Directors		
	David Herszberg	*Non-Executive Chairman*
	Pat Volpe	*Non-Executive Deputy Chairman*
	Mordechai Benedikt	*Non-Executive Director*
Company secretary	Ramon Jimenez	
Registered office	Suite 506, Level 5 1 Princes Street Kew, VIC 3101 Telephone: (03) 9855 1886 Fax: (03) 9855 2885	
Principal place of business	Suite 506, Level 5, 1 Princes Street Kew, VIC 3101	
Share registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Telephone: (08) 9315 2333 Fax: (08) 9315 2233	
Bankers	Bank of Melbourne Level 8, 530 Collins Street Melbourne VIC 3000	
Auditors	William Buck Level 20, 181 William Street Melbourne VIC 3000	
Website	www.cohibaminerals.com.au	

DIRECTORS' REPORT

Your directors submit the annual financial report of Cohiba Minerals Limited ("the Company") for the financial year ended 30 June 2014. 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
Pat Volpe	Non-Executive Deputy Chairman (appointed 24 July 2013)
Mordechai Benedikt	Non-Executive Director (appointed 24 July 2013)
John Ceccon	Non-Executive Director (appointed 28 November 2012, resigned 31 August 2013)
Amos Meltzer	Non-Executive Director (appointed 14 September 2012, resigned 2 August 2013)

Names, qualifications, experience and special responsibilities

Mr David Herszberg
Non-Executive Chairman
Age: 43

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.

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, resigned 3 June 2013).
- Bisan Limited (appointed 10 May 2012).
- Lemarne Corporation Limited (appointed 22 October 2012, resigned 11 July 2013).

Mr Pat Volpe
Non-Executive Deputy Chairman
Age: 56
Qualifications: B.Bus (Acc), P.G. (Tax), CPA

Mr Volpe has extensive experience in mining, media, transport, manufacturing, banking and stockbroking with a particular emphasis on corporate restructuring, business acquisitions, investment advising and capital raisings. He has a strong financial background and is a member of CPA Australia. Mr Volpe controls Vermar Pty Ltd, a substantial shareholder in the Company.

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

- Bisan Limited (appointed Chairman 18 December 2013).
- Botswana Metals Limited (appointed Chairman 19 January 2007).
- Cardia Bioplastics Limited (appointed Chairman 23 May 1994, resigned 22 November 2013).
- Genesis Resources Limited (appointed Non-Executive Director 11 May 2012, resigned 17 June 2014).

Mr Mordechai Benedikt
Non-Executive Director
Age: 33

Mr Benedikt is an experienced businessman with an extensive background in food imports for over 12 years. He is very active in export trade from Australia to Asia, building a vast network overseas. More recently he has been actively involved in commercial property and substantial investments in the public sector. Mr Benedikt controls Jascot Rise Pty Ltd, a substantial shareholder in the Company.

DIRECTORS' REPORT (continued)

Names, qualifications, experience and special responsibilities (continued)

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

- World Oil Resource Limited (appointed 13 June 2013).

Mr John Ceccon

Non-Executive Director (resigned 31 August 2013)

Age: 47

Qualifications: B.Com

Mr Ceccon has broad capital markets and accounting experience and has held numerous positions as CFO, Company Secretary or advisor to public and private companies. During the last three years Mr Ceccon has held directorships of the ASX listed companies Bisan Limited, Lemarne Corporation and World Oil Resources Limited.

Mr Amos Meltzer

Non-Executive Director (resigned 2 August 2013)

Age: 48

Qualifications: BA Agr.Sc.(Hons), LLB, Post. Grad. Dip Int. Prop.

Mr Meltzer has extensive commercial and legal experience primarily in the communications and life sciences industries. Mr Meltzer is CEO of Immuron Limited, an ASX listed company. During the last three years Mr Meltzer has held directorships of the ASX listed companies Lemarne Corporation and World Oil Resources Limited.

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
David Herszberg [1]	-	750,000
Pat Volpe [2]	-	3,520,550
Mordechai Benedikt [3]	-	1,675,000
Totals	-	5,945,550

[1] 750,000 shares held in the name of Yad Investments Pty Ltd (entity controlled by David Herszberg). Yad Investments Pty Ltd previously held 200,000 options which expired unexercised on 30 June 2014.

[2] 3,520,550 shares held in the name of Vermar Pty Ltd (entity controlled by Pat Volpe).

[3] 1,675,000 shares held in the name of Jascot Rise Pty Ltd (entity controlled by Mordechai Benedikt).

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

There were no shares issued during the financial year 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 there are no unissued ordinary shares of the Company under option. 6,500,000 options with an exercise price of twenty cents ($0.20) per option expired unexercised on 30 June 2014.

Company Secretary

Ramon Jimenez was Company Secretary from 23 October 2013 until the end of financial year. His qualifications are a Bachelor of Commerce with an Accounting major, Bachelor of Laws with Honours and a Graduate Diploma of Legal Practice with Honours. He has held similar positions with listed and unlisted companies over the past 10 years.

Mark Spicer was Company Secretary from 1 July 2013 to 13 July 2013.

DIRECTORS' REPORT (continued)

Company Secretary (continued)

Richard Baker was Company Secretary from 15 July 2013 to 26 July 2013.

John Ceccon was Company Secretary from 26 July 2013 to 23 October 2013.

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, including metals, precious metals, and minerals. There have been no significant changes in the nature of those activities during the period.

Review of Operations

SANTY WELLS PROJECT

The Company's principal asset was a 50% interest it believed it had earned in two Exploration Licences (EL 59/1677 and EL 59/1678) ("the ELs") located in Western Australia, known as the Santy Wells project with rights to explore for all minerals other than Iron Ore. The Company's joint venture partner West Peak Iron Limited ("WPI") denies that the Company had earned any interest in the ELs. The licenses were forfeited by the Department of Mines and Petroleum in Western Australia subsequent to the end of the financial year. Legal proceedings have been commenced against WPI in the District Court of Western Australia for the recovery of $144,365 plus damages, interest and costs arising from the Company's involvement in the Santy Wells project.

Mr Mathew Walker, a past director and a current shareholder of the Company has alleged, through his solicitors, that he has suffered loss and damage as a result of the allegedly negligent failure of the Company to satisfy the requirements of the agreement with WPI. The Company does not accept the allegations and any action which may be commenced by, or on behalf of, Mr Walker will be strongly defended.

PROPOSED ACQUISITION OF INTEREST IN LATIN URANIUM SRL

The Company has agreed with Latin Uranium Pty Ltd ("Latin Australia") that the Company will enter into a conditional subscription agreement with Latin Uranium SRL (a company incorporated in Argentina) ("Latin Argentina"), under which the Company can acquire up to 40% of the shares in Latin Argentina by way of staged investment, for a total cost of up to $2,000,000.

The proposed investment will be staged, with the Company potentially acquiring:

a) an initial 15% shareholding in Latin Argentina for an investment of A$500,000; and
b) a further 25% shareholding in Latin Argentina for a further investment of A$1,500,000

There are no planned changes to the Board of Directors of the Company arising as a result of entering into the agreement with or acquiring an interest in Latin Argentina.

Latin Argentina

Latin Australia owns 99% of Latin Argentina directly. The remaining 1% of Latin Argentina is held on trust for Latin Australia by Argentine nationals.

Latin Australia

Mr Pat Volpe is a Director of Latin Australia and his interests hold a 72.727% shareholding in Latin Australia. As such, the proposed acquisition will constitute a related party transaction which will require approval of the members of the Company in accordance with ASX Listing Rules and other regulatory guidelines. Amongst other things, this will require independent experts' report to be obtained reporting on whether it is in the best interests of the non-associated members of the Company (being members other than Pat Volpe and his associate Vermar Pty Ltd).

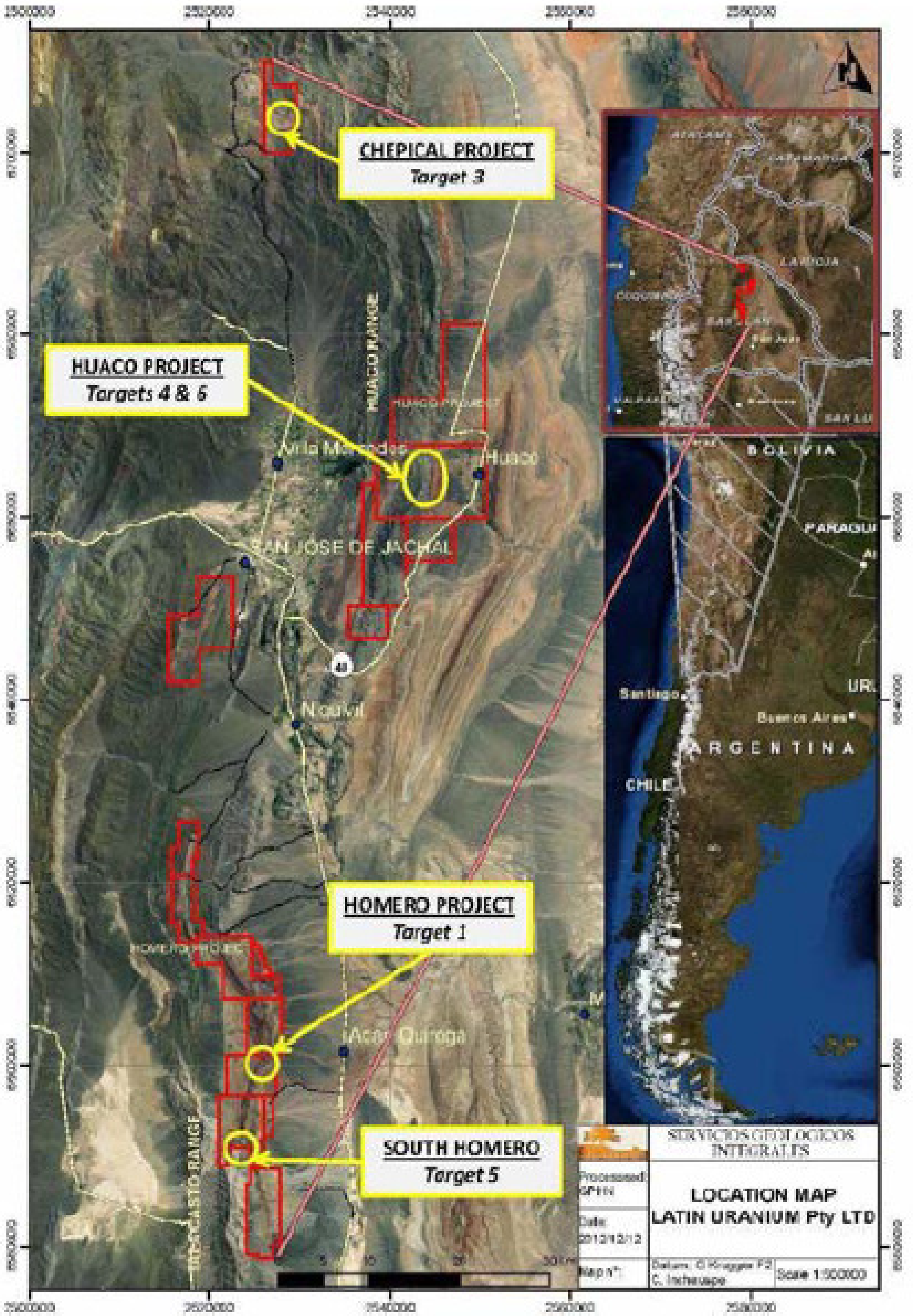
Vendor Agreement

Latin Argentina has an option to purchase agreement ("Vendor Contract") under which it has the right to acquire up to 100% of 16 exploration licences/licence applications for the Homero, Huaco and Chepical projects in San Juan, Argentina, covering an area of approximately 56,000 Hectares ("Projects"). Nine of the exploration licences have been granted and seven applications are pending.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

The Projects comprise five areas as shown in figure 1 below.



DIRECTORS' REPORT (continued)

Review of Operations (continued)

The Projects are considered prospective for uranium with potential for gold, copper and base metals, although minimal work has been carried out on those elements to date. These results have not been independently verified by the Company. At this stage of exploration, no reserves or resources (within the meaning of the JORC Code or otherwise) have been defined.

Latin Argentina entered into the Vendor Contract in 2012 and has made various payments to the Vendors. Exploration expenditure on the Projects by Latin Argentina and all other legal and administration costs paid by Latin to date total at least A$1.7M. The remaining funding commitments are as follows:

a) upon further exploration expenditure of USD$250K on the Projects by 9 May 2015, Latin Argentina will acquire 51% of the Projects;

b) by making a payment to the Vendors of USD$1M, and funding further exploration of USD$250K by 9 May 2016, Latin Argentina can move to 100% ownership of the Projects.

c) in the event that Latin publicly announces a decision to start building a mine in any part of the Projects then Latin Argentina must pay the Vendors an additional payment of USDf$1M.

d) if any part of the Projects is put into production then Latin Argentina must pay the Vendors a royalty of a 2% Net Smelter Return. During the first year after the start of production, Latin has the option (but not the obligation) to purchase the royalty for a fixed price of USD$2.5M.

At this stage, Latin Argentina has not completed its earn-in under the Vendor Contract to acquire any title interest in the Tenements. Funds subscribed by Cohiba to Latin Argentina will be used in part for this purpose, unless Latin has, prior to shareholder approval in general meeting, completed its earn-in to acquire its initial 51% interest in the Tenements.

Prior Exploration By Latin Argentina

In February 2013 reconnaissance mapping, sampling and prospecting was undertaken through five areas in the Homero, Huaco and Chepical projects. The areas were selected using geology and airborne surveys. The principal objective of this scouting field work was to check the presence of U-Cu-V-Ag and Au mineralization in the previously defined U-targets. Geological reconnaissance has shown that uranium occurrences were commonly confirmed in different targets.

Exploration work done by Latin Argentina and others have produced independent laboratory results, which have returned high uranium levels from numerous soil and rock ships sampled. These were taken from a number of different sites within the Project areas.

As part of the transaction, Cohiba will undertake **due diligence** on the Project areas. This due diligence will include a detailed geological review, which will include verification drilling. Upon completion of all due diligence, including assessment of all results of the verification drilling, the Company can elect whether to proceed with the acquisition or withdraw. If the Company withdraws from the acquisition after completion of due diligence, it will not retain or hold any interest in Latin Argentina or in any of the Tenements of the Projects.

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, with the exception of the proposed investment in Latin Argentina, 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 Company'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)

Review of Operations (continued)

CORPORATE AND ADMINISTRATION

On 15 July 2013 Marc Spicer resigned as Company Secretary and Richard Baker was appointed in his place.

On 24 July 2013 Pat Volpe and Mordechai Benedikt were appointed as Directors of the Company.

On 26 July 2013 Richard Baker resigned as Company Secretary and John Ceccon was appointed in his place.

On 2 August 2013 Amos Meltzer resigned from the Board of the Company.

On 31 August 2013 John Ceccon resigned from the Board of the Company.

On 1 September 2013 the Company moved its Registered Office and Principal Place of Business to Suite 5, 301 Whitehorse Road, Balwyn, Victoria 3103.

On 23 October 2013, John Ceccon resigned as Company Secretary and Ramon Jimenez was appointed in his place.

On 27 November 2013 Pat Volpe was appointed Deputy Chairman of the Company, with David Herszberg remaining Chairman.

On 28 November 2013, as a result of resolutions passed at the Annual General Meeting, David Herszberg, Pat Volpe, and Mordechai Benedikt were re-elected to the Board of the Company.

On 30 September 2013 the Directors of the Company resolved, due to the significant uncertainty relating to the Santy Wells joint venture, to fully impair the exploration assets of the Company as at 30 June 2013. This decision in no way affects the ability of the Company to enforce its rights under the joint venture agreement.

In the September 2013 quarter, following sustained non-delivery of services by Alerion, the Company terminated the various agreements for the provision of services to the Company.

On 1 February 2014 3,599,999 fully paid ordinary shares, and 6,000,000 options to acquire fully paid ordinary shares with an exercise price of $0.20 per option and an expiry date of 30 June 2014, were released from escrow.

On 19 February 2014 the Company moved its Registered Office and Principal Place of Business to Suite 506, Level 5, 1 Princes Street, Kew, Victoria 3101.

On 20 February 2014 Mathew Walker and Sabreline Pty Ltd, shareholders who collectively hold at least 5% of the votes that may be cast at a general meeting of the Company, requisitioned a meeting to consider the appointment of new directors and removal of the existing directors.

On 3 April 2014 shareholders of the Company rejected the resolutions proposed by Mathew Walker and Sabreline Pty Ltd which would have removed the directors from office and replaced them with new directors.

On 30 June 2014 6,500,000 unlisted options with an exercise price of 20 cents ($0.20) per option expired unexercised.

Significant events since the end of the period

On 4 July 2014 the Company issued 2,737,500 fully paid ordinary shares at 3 cents ($0.03) per share to raise $82,125 (before costs) by way of placement to professional, sophisticated investors and other exempt investors. The placement was managed by Foxfire Capital Pty Ltd ("Foxfire") and the Company paid a fee equal to 5% + GST of the funds raised. Mr Pat Volpe, a director and substantial shareholder of the Company, is a shareholder of, and consultant to, Foxfire. The services were provided on normal commercial terms and conditions.

On 23 July 2014 the Company announced the terms for a one-for-one non-renounceable rights issue of up to 20,987,500 new fully paid ordinary shares in the Company at an issue price of three cents ($0.03) cash per share payable in full on application. The purpose of the issue was to raise $629,625 (before costs) to fund the operating costs of the Company, plus the costs of due-diligence on the proposed investment in Latin Argentina and the cost of the first tranche of that investment. The Company reserved the right not to proceed with the whole or part of the issue at any time prior to the date the shares were issued. As a result of queries received from the Australian Securities and Investments Commission, the proposed issue was delayed a number of times. In light of the delay in undertaking the rights issue and having regard to the changed market situation which had seen strong trading in the shares in the Company on an ex-entitlements basis, on 3 September 2014 the Directors decided not to proceed with the one-for-one issue of shares.

On 4 August 2014 the Company received advice that the Santy Wells tenements (E59/1677 and E59/1678) had been forfeited by the Department of Mines and Petroleum in Western Australia.

DIRECTORS' REPORT (continued)

Operating results for the year

The comprehensive loss of the Company for the financial year to 30 June 2014, after providing for income tax amounted to $395,449 (2013: $547,596).

Review of financial conditions

The Company had $1,137,163 in cash and term deposits at 30 June 2014 which the Directors believe puts the Company in a sound financial position with sufficient capital to effectively pursue resource-based opportunities. The net assets of the Company have decreased by $395,449 during the financial year from $1,450,830 as at 30 June 2013 to $1,055,381 at 30 June 2014 as a result of the net operating loss for the period of $395,449 which comprised normal operating expenses and the cost of the dispute with West Peak Iron Limited. Details are presented in the audited financial statements and accompanying notes.

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the accompanying financial report.

Likely developments and expected results

It is likely that the Company will continue to search for new business opportunities within its principal activity of natural resource exploration and seek to expand its technical and geological management expertise in the coming year.

In respect of potential new opportunities, if the Directors are successful in acquiring a new project or entering into a joint venture, it is expected that part of the cash and term deposits held by the Company may be directed to the purchase of that project and to the exploration and development plan for that project. It may be that additional cash will be required to fund any of these events should they eventuate. In that case the Directors will be required to review the funding options available to the Company.

Key Business Strategies for FY 2015

In the 2015 financial year the Company intends to continue its strategy of expanding its exploration portfolio. The Company's strategy includes maintaining a stable Board of Directors as well as expanding the exploration and mining expertise by seeking an experienced person who can assist to implement the company's exploration growth strategies. The current Board of Directors has experience in seeking and identifying projects with the exploration potential to become a significant mineralised and economic resource. It will be the focus of the Company to secure these types of projects in order to expand the exploration portfolio to enhance the Company and shareholder returns through potential exploration success in the coming year.

Likely developments in respect to current activities include:

- The Company will complete its due diligence process on the Latin Uranium SRL investment opportunity in order to determine whether to proceed with further investment in the project.
- The Company will pursue West Peak Iron Limited for compensation in respect of the Santy Wells Joint Venture.
- The Company will raise additional capital to meet its budgeted operating expenses plus the cost of the acquisition of the first tranche investment in Latin Uranium SRL. The Directors currently propose the following:
    - A private placement of 5,000,000 fully paid ordinary shares in the Company at an issue price of five cents ($0.05) per share to professional, sophisticated and other exempt investors to raise $250,000 (before costs). As the Company has fully utilised its capacity to issue shares under ASX Listing Rule 7.1, and there is no additional placement capacity available under ASX Listing Rule 7.1A, the placement will only proceed if it is approved by shareholders.
    - A one-for-three non-renounceable rights issue of up to 6,995,833 fully paid ordinary shares in the Company at an issue price of five cents ($0.05) per share to raise up to $349,792 (before costs).

  Foxfire Capital Pty Ltd ("Foxfire") will be appointed to manage the private placement and also to place the shortfall (if any) from the rights issue. Foxfire will be paid a fee of 5% plus GST of the value of the shares issued under the private placement. Foxfire will also be paid a fee of 5% of the value of any shortfall shares placed. Mr Pat Volpe, a Director and substantial shareholder of the Company, is a shareholder of, and consultant to, Foxfire.

Key Business Risks

A number of specific risk factors exist that may impact the business strategies, future performance and financial position of the Company. It is not possible to identify every risk that could affect the Company's business, and whilst the Company implements risk mitigation measures to the extent possible, actions taken by the Company to mitigate risks cannot provide an absolute guarantee that a risk will not materialise.

DIRECTORS' REPORT (continued)

Environmental legislation

The Company is subject to significant environmental and monitoring requirements under Western Australian law 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.

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 2014.

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

Mr David Herszberg (Non-Executive Chairman)
Mr Pat Volpe (Non-Executive Deputy Chairman) (appointed 24 July 2013)
Mr Mordechai Benedikt (Non-Executive Director) (appointed 24 July 2013)
Mr John Ceccon (Non-Executive Director) (appointed 28 November 2012, resigned 31 August 2013)
Mr Amos Meltzer (Non-Executive Director) (appointed 14 September 2012, resigned 2 August 2013)

The term 'Key Management Personnel' is used in this remuneration report to refer to the Directors of the Company.

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.

As it is still in its infancy, the Company is yet to implement a formal bonus incentive scheme, with the exception of share options issued to certain directors for the period ended 30 June 2011.

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.

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.

DIRECTORS' REPORT (continued)

Remuneration report (continued)

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 a range of factors such as director experience, the fees paid to non-executive directors of similar small listed exploration companies and, where appropriate, external advice when undertaking the annual review process. No external remuneration advice was sought during the financial year.

Each director is entitled to receive a fee for being a director of the Company. The remuneration of non-executive directors for the year ended 30 June 2014 is detailed in the remuneration of key management personnel in Table 1 of this report.

Directors provide their services as contractors to the Company and fees are paid to the Directors or to the corporate entities that provide the services of the Directors.

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. For the year ended 30 June 2014 no such external advice was sought. 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 & Other Contracts

Administration Agreement - Alerion

The Company entered into a Services Agreement, and later a Replacement Services Agreement, with Global Constructive Solutions Pty Ltd trading as Alerion Corporate Services ("Alerion") defining the terms of engagement for the provision of administration services by Alerion as a contractor to the Company. Alerion provided 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 Company also entered into a Licence Agreement with Alerion under which office space was provided to the Company for a monthly fee of $3,750 plus GST. Mr Marc Spicer, a former director of the Company, was an employee of Alerion. The Company ceased using the services of Alerion in the September 2013 quarter.

Contracts

There are no employment or service contracts between the Company and its directors. Directors provide their services on a month to month basis.

Options

During the year ended 30 June 2014, there were no options granted as part of director remuneration.

Consulting Fees – Trayburn Pty Ltd ("Trayburn")

Trayburn invoiced the Company for $27,000 during the year for additional services provided by Pat Volpe over and above his duties as a Non-Executive Director. The sum of $2,000 was paid to Trayburn during the year and the balance of $25,000 (plus GST) was unpaid as at 30 June 2014. Mr Pat Volpe is a Director and substantial shareholder of Trayburn.

Office Facilities – Botswana Metals Limited ("BML")

The Company paid $9,000 during the year to BML for the provision of office services and facilities. Pat Volpe is a Director and substantial shareholder of BML.

Rent – BML and Bisan Limited ("BSN")

The Company charged rent of $5,278 to each of BML and BSN. Pat Volpe is a Director and substantial shareholder of BSN. David Herszberg is a director of BSN. The sum of $5,278 (plus GST) was owing to the Company by BSN as at 30 June 2014.

DIRECTORS' REPORT (continued)

Remuneration report (continued)

Option holdings of Directors and Executives

30 June 2014	Balance at start of year or at date of appointment	Granted as Remuneration	Options Exercised	Other Changes	Balance at end of year or at date of resignation
Directors					
David Herszberg	200,000	-	-	(200,000)	-
Pat Volpe	-	-	-	-	-
Mordechai Benedikt	-	-	-	-	-
John Ceccon	-	-	-	-	-
Amos Meltzer	-	-	-	-	-
	200,000	-	-	(200,000)	-

The 200,000 options held by David Herszberg (YAD Investments Pty Ltd) expired unexercised on 30 June 2014.

Shareholdings of Directors and Executives

30 June 2014	Balance at start of year or at date of appointment	Received as Remuneration	On exercise of Options	Net Change Other	Balance at end of year or at date of resignation
Directors					
David Herszberg	750,000	-	-	-	750,000
Pat Volpe	3,520,550	-	-	-	3,520,550
Mordechai Benedikt	1,675,000	-	-	-	1,675,000
John Ceccon	-	-	-	-	-
Amos Meltzer	-	-	-	-	-
	5,945,550				5,945,550

DIRECTORS' REPORT (continued)

Remuneration of key management personnel

Table 1: Directors' and key management personnel remuneration for the year ended 30 June 2014

	Short-term employee benefits			Post-employment benefits					
	Salary and Fees	Bonuses	Non-Monetary Benefits	Superannuation	Prescribed Benefits	Equity Options	Other	Total	Performance Related %
David Herszberg	48,000	-	-	-	-	-	-	48,000	-
Pat Volpe (appointed 24/07/13)	52,000	-	-	-	-	-	-	52,000	-
Mordechai Benedikt (appointed 24/07/13)	48,000	-	-	-	-	-	-	48,000	-
John Ceccon (resigned 31/08/13)	10,750	-	-	-	-	-	-	10,750	-
Amos Meltzer (resigned 02/08/13)	3,000	-	-	-	-	-	-	3,000	-
Total	161,750	-	-	-	-	-	-	161,750	-

Table 2: Directors' and key management personnel remuneration for the year ended 30 June 2013

	Short-term employee benefits			Post-employment benefits					
	Salary and Fees	Bonuses	Non-Monetary Benefits	Superannuation	Prescribed Benefits	Equity Options	Other	Total	Performance Related %
David Herszberg	41,250	-	-	-	-	-	-	41,250	-
John Ceccon	19,450	-	-	-	-	-	-	19,450	-
Amos Meltzer	28,600	-	-	-	-	-	-	28,600	-
Mr David Bernard (resigned 17/05/13)	10,320	-	-	-	-	-	-	10,320	-
Mr Marc Spicer (resigned 28/11/12)	18,000	-	-	-	-	-	-	18,000	-
Mr James Robinson (resigned 14/09/12)	25,000	-	-	2,250	-	-	5,000	32,250	-
Total	142,620	-	-	2,250	-	-	5,000	149,870	-

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 Meetings		Non-executive Directors Meetings	
Director	Eligible to attend	Attended	Eligible to attend	Attended
David Herszberg	5	5	-	-
Pat Volpe (appointed 24 July 2013)	5	5	-	-
Mordechai Benedikt (appointed 24 July 2013)	5	5	-	-
John Ceccon (appointed 28 November 2012, resigned 31 August 2013)	2	1	-	-
Amos Meltzer (appointed 14 September 2012, resigned 2 August 2013)	1	1	-	-

In addition, there were 8 circular resolutions signed by the board. Directors also met informally on a regular basis.

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 auditor, William Buck, 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 19 and forms part of this directors' report for the year ended 30 June 2014.

Non-Audit Services

For the year ended 30 June 2014 no non-audit services were provided to the Company by our auditor William Buck.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Signed in accordance with a resolution of the directors.

Mr David Herszberg
Chairman
Melbourne, Victoria
Dated 30 September 2014.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Cohiba Minerals Limited ("the Company") 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.

The Company'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

The Company's corporate governance practices were in place throughout the year ended 30 June 2014.

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.

Management of the Company

Having regard to the current level of the Company's activities, no CEO has been appointed. The Company is managed by the Board of Directors with staff including the Company Secretary providing administrative support. In due course it may become necessary to appoint a CEO and other executives once the Company's activities increase and expand.

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 the Company 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.

CORPORATE GOVERNANCE STATEMENT (continued)

STRUCTURE THE BOARD TO ADD VALUE (continued)

The current director that is considered independent is:

Mr David Herszberg Non-executive Chairman

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:

Name	Term in Office
Mr David Herszberg	28 months
Mr Pat Volpe	14 months
Mr Mordechai Benedikt	14 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 the Company. 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 responsibly 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 or 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 year and consisted of:

- Mr David Herszberg
- Mr Mordechai Benedikt (from 24 July 2013 to end of Financial Year)

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 wll 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.

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 Company Secretary 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 an 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.

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 the Company.

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.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF COHIBA MINERALS LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2014 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director

Dated this 30th day of September, 2014

CHARTERED ACCOUNTANTS & ADVISORS

Melbourne Office
Level 20, 181 William Street
Melbourne VIC 3000

Hawthorn Office
Level 1, 465 Auburn Road
Hawthorn East VIC 3123

PO Box 185, Toorak VIC 3142
Telephone: +61 3 9824 8555
williambuck.com

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Interest income		37,257	54,992
Rental Income		10,556	-
Other income		750	-
Gain on sale of director-related investment		-	71,250
Impairment of deferred exploration expenditure		-	(123,445)
Other expenses	2	(444,012)	(550,393)
Loss before income tax expense		(395,449)	(547,596)
Income tax expense	3	-	-
Loss after income tax expense		(395,449)	(547,596)
Net loss for the year		(395,449)	(547,596)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(395,449)	(547,596)
Basic and diluted loss per share (cents per share)	4	(2.17)	(3.00)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 $	2013 $
Assets			
Current Assets			
Cash and cash equivalents	7	1,137,163	216,747
Trade and other receivables	8	49,672	77,072
Other financial assets	9	-	1,200,000
Total Current Assets		1,186,835	1,493,819
Non-Current Assets			
Deferred exploration expenditure	10	-	-
Total Non-Current Assets		-	-
Total Assets		1,186,835	1,493,819
Liabilities			
Current Liabilities			
Trade and other payables	11	131,454	42,989
Total Current Liabilities		131,454	42,989
Total Liabilities		131,454	42,989
Net Assets		1,055,381	1,450,830
Equity			
Issued capital	6	2,151,361	2,151,361
Option reserve	6	-	6,500
Accumulated losses		(1,095,980)	(707,031)
Total Equity		1,055,381	1,450,830

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital $	Accumulated Losses $	Option Reserves $	Total Equity $
Balance as at 1 July 2012	2,151,361	(159,435)	6,500	1,998,426
Net loss for the year	-	(547,596)	-	(547,596)
Total comprehensive (loss) for the year	-	(547,596)	-	(547,596)
Balance at 30 June 2013	2,151,361	(707,031)	6,500	1,450,830
Balance as at 1 July 2013	2,151,361	(707,031)	6,500	1,450,830
Net loss for the year	-	(395,449)	-	(395,449)
Total comprehensive (loss) for the year	-	(395,449)	-	(395,449)
Expiry of options	-	-	(6,500)	(6,500)
Transfer from option reserve	-	6,500	-	6,500
Balance as at 30 June 2014	2,151,361	(1,095,980)	-	1,055,381

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Payments to suppliers and employees		(403,550)	(576,968)
Interest received		39,536	67,213
Receipts from customers		5,805	-
Net cash used in operating activities	7	(358,209)	(509,755)
Cash flows from investing activities			
Payments for exploration expenditure		-	(57,254)
Loan to director-related entity		(3,500)	-
Purchase of shares in director-related entity		-	(475,000)
Sale of shares in director-related entity		-	546,250
Purchase of term deposits		-	(1,200,000)
Proceeds from matured term deposits		1,200,000	-
Net cash used in investing activities		1,196,500	(1,186,004)
Cash flows from financing activities			
Proceeds from issue of shares and options		82,125	-
Net cash provided by financing activities		82,125	-
Net increase/(decrease) in cash and cash equivalents held		920,416	(1,695,759)
Cash and cash equivalents at the beginning of the year		216,747	1,912,506
Cash and cash equivalents at the end of the year	7	1,137,163	216,747

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 Australian accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

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 for-profit 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 2014, 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 2014. As a result of this review the Directors have determined that there is no material impact 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 the date of signing of the directors' declaration that is attached to these financial statements. Compliance with Australian Accounting Standards 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.

Deferred Tax Assets

The Company has a significant balance of carry forward tax losses. There is uncertainty as to ability of the Company to utilise the losses and accordingly no deferred tax assets have been recognised in the financial statements..

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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.

Rent revenue
Rent revenue from the provision of office premises is recognised on a straight-line basis over the lease term.

(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 profit or loss and other 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 profit or loss and other 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 operates and generates 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 reporting 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 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 2014

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 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 reporting 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 reporting 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 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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.

(k) 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.

The expense relating to any provision is presented in the statement of profit or loss and other 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.

(l) 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 the Company (market conditions) if applicable.

The cumulative expense recognised for equity-settled transactions at each reporting 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 profit or loss and other 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.

(m) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Loss per share

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

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

- costs of servicing equity (other than 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.

(o) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are capitalised as deferred exploration expenditure 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, or the Company is in the process of renewing the right to tenure and the directors believe that such a process of renewal will be successfully completed; 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.

(p) 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 the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: OTHER EXPENSES	2014 $	2013 $
Accounting and audit fees	26,107	43,467
Administrative expenses	9,386	37,785
ASX and ASIC fees	17,374	13,132
Computer and software expenses	360	3,242
Consultancy fees	61,000	140,080
Directors' fees	157,000	117,402
Company Secretary fees	32,840	-
General exploration expenses	16,191	-
Employee benefits expense	-	30,000
Insurance expenses	15,226	13,400
Legal fees	28,935	54,979
Rent	22,765	71,259
Share registry fees	6,722	7,359
Wages and salaries	13,900	-
Superannuation	1,286	2,250
Travel and promotional expenses	25,291	13,899
Other expenses	9,629	2,139
	444,012	550,393

NOTE 3: INCOME TAX

	2014 $	2013 $
(a) Income tax benefit	-	-
(b) Numerical reconciliation between tax expense and pre-tax net loss		
Loss from ordinary activities	(395,449)	(547,596)
Income tax using the Company's domestic tax rate of 30% (2013: 30%)	(118,635)	(164,279)
Non-deductible expenses / (deductible tax adjustments)	(10,955)	21
Other timing differences not recognised	-	-
Current year losses for which no deferred tax asset was recognised	(129,590)	164,258
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 2014 the Company has estimated tax loss assets to carry forward of $350,628 (30 June 2013: $229,053). The benefit of deferred tax assets not brought to account with 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 affect the Company in realising the benefit.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 4: LOSS PER SHARE	2014 Cents per Share	2013 Cents per share
Basic loss per share	(2.17)	(3.00)
	$	$
Earnings	(395,449)	(547,596)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share:	18,250,000	18,250,000

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 Company operates in one segment being the evaluation and exploration of resources in the Oceania region.

NOTE 6: EQUITY	2014 $	2013 $
Issued capital		
Balance at the beginning of the year	2,151,361	2,151,361
Shares issued	-	-
Less share issue costs	-	-
Balance at the end of the year	2,151,361	2,151,361
Movements in ordinary shares on issue	**No.**	**No.**
Balance at the beginning of the year	18,250,000	18,250,000
Movements during the year:		
Shares issued	-	-
Balance at the end of the year	18,250,000	18,250,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: EQUITY (continued)

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.

3,599,999 ordinary shares were released from escrow until 1 February 2014.

	2014 $	2013 $
Option Reserve		
Balance at the beginning of the year	6,500	6,500
Options issued	-	-
Options expired	(6,500)	-
Balance at the end of the year	-	6,500
Movements in Company Options on issue	**No.**	**No.**
Balance at the beginning of the year	6,500,000	6,500,000
Movements during the year:	(6,500,000)	-
Options issued	-	-
Balance at the end of the year	-	6,500,000

Company Options carry no voting rights and carry no right to dividends. Company Options are unlisted and are fully vested. The 6,500,000 Company Options are exercisable at $0.20 on or before 30 June 2014 expired unexercised on 30 June 2014.

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.

The Listing Rules of the Australian Securities Exchange contain restrictions on the maximum number of shares that can be issued by the Company without shareholder approval. A number of exceptions to the restrictions apply but in general shareholder approval must be sought to issue a number of new shares that is greater than 15% of the number of existing shares on issue. The Company can also obtain prospective shareholder approval, at its AGM, to issue shares equal to 10% of the number of existing shares on issue which, if the approval is obtained, enables the company to issue shares equal to 25% of the number of existing shares on issue.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 7: CASH AND CASH EQUIVALENTS	2014 $	2013 $
Cash on hand and at bank	1,137,163	216,747
Reconciliation of loss for the year to net cash flows from operating activities		
Comprehensive (loss) for the year	(395,449)	(547,596)
Adjustments for:		
- Impairment of exploration expenditure	-	123,445
- Realised gain on sale of investment in director-related entity	-	(71,250)
Changes in assets and liabilities:		
- (Increase)/decrease in trade receivables and prepayments	30,900	(32,638)
- Increase/(decrease) in trade payables and accruals	6,340	18,284
Net cash (used in) operating activities	(358,209)	(509,755)

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 2014 and was not party to any borrowing facilities for the same period

NOTE 8: TRADE AND OTHER RECEIVABLES

Goods and services tax receivable	12,709	49,460
Accrued interest	-	2,279
Prepayments	17,207	25,333
Security deposits	10,450	-
Receivables from Director related entities	9,306	-
Trade and other receivables balance at 30 June	49,672	77,072

NOTE 9: OTHER FINANCIAL ASSETS

Term deposits with Australian banks	-	1,200,000

NOTE 10: DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Balance at the beginning of the year	-	66,191
Expenditure incurred:		
Santy Well	-	57,254
Expenditure impaired	-	(123,445)
Total Exploration Expenditure balance at 30 June	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 11: TRADE AND OTHER PAYABLES (CURRENT)	2014 $	2013 $
Trade payables	11,770	34,489
Payable to Director related entity	27,500	-
Accrued expenses	8,000	8,500
Other payables	2,059	-
Share subscription monies held pending issue of shares	82,125	-
Balance at 30 June	131,454	42,989

- Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTE 12: FINANCIAL INSTRUMENTS

Financial risk management objectives and policies:

The Company has exposure to liquidity risk from its use of financial instruments. 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.

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 reporting date.

NOTE 13: COMMITMENTS AND CONTIGENCIES

Officers' Remuneration Commitments

Directors

The Directors of the Company have not entered into service agreements with the Company. Directors provide their services on a month to month basis.

Tenement Related Commitments and Contingencies

There are no tenement related commitments or contingencies.

Santy Wells Joint Venture – Dispute and Litigation

The Company is in dispute with West Peak Iron Limited ("WPI") in relation to the Farm-in Agreement dated 19 May 2011 under which the Company claims that it earned an interest in Exploration Permits E59/1677 and E59/1678 in Western Australia ("Santy Wells Tenements"). Under the Farm-in Agreement the Company was required to spend $100,000 within a 12 month earn-in period to earn an undivided 50% interest in the Santy Wells Tenements. The Company alleges that it spent in excess of an aggregate of $100,000 within the earn-in period to entitle it to a 50% undivided interest in the Santy Wells Tenements. This is disputed by WPI. The Santy Wells Tenements were forfeited by the Department of Mines and Petroleum in Western Australia after the year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 13: COMMITMENTS AND CONTIGENCIES

The Company has commenced litigation against WPI in the District Court of Western Australia to recover damages as a result of the alleged wrongful termination of the Farm-in Agreement by WPI and the alleged repudiation by WPI of the joint venture which the Company alleges came into existence under the Farm-in Agreement. The Company's claim against WPI is being defended by WPI and WPI has counterclaimed against the Company for an amount of approximately $44,000 which WPI alleges is due by the Company to WPI under the Farm-in Agreement.

Although the Company's legal advisers are of the opinion that the Company met the requirements of the Farm-in Agreement to earn a 50% interest in the Santy Wells Tenements, this is a matter that will be decided by the Court. In the event that the Court should hold that the Company failed to earn such an interest, it is expected that the Company would be liable to pay WPI's costs of the action on a party/party basis. Further, if WPI's defence and counterclaim were upheld by the Court, the Company would, in addition, be required to pay damages as claimed by WPI.

Mathew Donald Walker

The Company has received a letter dated 4 July 2014 from Williams & Hughes, as solicitors for Mr Mathew Donald Walker, a past director of, and presently a shareholder in the Company, alleging, to the effect, that Mr Walker has suffered loss and damage as a result of the Company's allegedly negligent failure to satisfy the requirements of the Farm-in Agreement between the Company and WPI to earn a 50% interest in the Santy Well Tenements. The allegations made by Williams & Hughes on behalf of their client are rejected by the Directors, and any action which may be commenced by, or on behalf of, Mr Walker will be strongly defended.

NOTE 14: DIRECTORS AND EXECUTIVES DISCLOSURES

(a) Details of Directors' and Executives

The following persons were directors and executives of the Company during the financial year:

- David Herszberg — Non-Executive Chairman
- Pat Volpe — Non-Executive Deputy Chairman (appointed 24 July 2013)
- Mordechai Benedikt — Non-Executive Director (appointed 24 July 2013)
- John Ceccon — Non-Executive Director (appointed 28 November 2012, resigned 31 August 2013)
- Amos Meltzer — Non-Executive Director (appointed 14 September 2012, resigned 2 August 2013)

NOTE 15: RELATED PARTY DISCLOSURES

Consulting Fees – Trayburn Pty Ltd ("Trayburn")

Trayburn invoiced the Company for $27,000 during the year for additional services provided by Pat Volpe over and above his duties as a Non-Executive Director. The sum of $2,000 was paid to Trayburn during the year and the balance of $25,000 (plus GST) was unpaid as at 30 June 2014. Mr Pat Volpe is a Director and substantial shareholder of Trayburn.

Office Facilities – Botswana Metals Limited ("BML")

The Company paid $9,000 during the year to BML for the provision of office services and facilities. Pat Volpe is a Director and substantial shareholder of BML.

Rent – BML and Bisan Limited ("BSN")

The Company charged rent of $5,278 to each of BML and BSN. Pat Volpe is a Director and substantial shareholder of BSN. David Herszberg is a director of BSN. The sum of $5,278 (plus GST) was owing to the Company by BSN as at 30 June 2014.

Loan – BSN

The Company paid the sum of $3,500 to a third party on behalf of BSN. The payment was recorded as an interest free unsecured loan repayable by BSN on demand. The sum of $3,500 was owing to the Company by BSN as at 30 June 2014.

Directors

Remuneration paid to Directors is set out in the Remuneration Report contained in the Directors' Report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 15: RELATED PARTY DISCLOSURES (continued)

Administration and Licence Agreement – Alerion

The Company entered into a Services Agreement, and later a Replacement Services Agreement, with Global Constructive Solutions Pty Ltd trading as Alerion Corporate Services ("Alerion") defining the terms of engagement for the provision of administration services by Alerion as a contractor to the Company. Alerion provided 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 Company also entered into a Licence Agreement with Alerion under which office space was provided to the Company for a monthly fee of $3,750 plus GST. Mr Marc Spicer, a former director of the Company, was an employee of Alerion. The Company ceased using the services of Alerion in the September 2013 quarter.

NOTE 16: EVENTS AFTER THE REPORTING DATE

On 4 July 2014 the Company issued 2,737,500 fully paid ordinary shares at 3 cents ($0.03) per share to raise $82,125 (before costs) by way of placement to professional, sophisticated investors and other exempt investors. The placement was managed by Foxfire Capital Pty Ltd ("Foxfire") and the Company paid a fee equal to 5% + GST of the funds raised. Mr Pat Volpe, a director and substantial shareholder of the Company, is a shareholder of, and consultant to, Foxfire. The services were provided on normal commercial terms and conditions.

On 23 July 2014 the Company announced the terms for a one-for-one non-renounceable rights issue of up to 20,987,500 new fully paid ordinary shares in the Company at an issue price of three cents ($0.03) cash per share payable in full on application. The purpose of the issue was to raise $629,625 (before costs) to fund the operating costs of the Company, plus the costs of due-diligence on the proposed investment in Latin Argentina and the cost of the first tranche of that investment. The Company reserved the right not to proceed with the whole or part of the issue at any time prior to the date the shares were issued. As a result of queries received from the Australian Securities and Investments Commission, the proposed issue was delayed a number of times. In light of the delay in undertaking the rights issue and having regard to the changed market situation which had seen strong trading in the shares in the Company on an ex-entitlements basis, on 3 September 2014 the Directors decided not to proceed with the one-for-one issue of shares.

On 4 August 2014 the Company received advice that the Santy Wells tenements (E59/1677 and E59/1678) had been forfeited by the Department of Mines and Petroleum in Western Australia.

NOTE 17: AUDITOR'S REMUNERATION	2014 $	2013 $
The auditor of the Company is William Buck.		
Amounts received or due and receivable by the auditor:		
Audit or review of the financial statements	16,000	11,000
	16,000	11,000

DIRECTORS' DECLARATION

1. In the opinion of the directors of Cohiba Minerals Limited ('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 2014 and of its performance for the year then ended; and

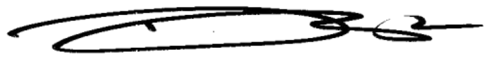
      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   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 2014.

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



Mr David Herszberg
Chairman
Melbourne, Victoria
Dated 30 September 2014

William Buck

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 (the Company) on pages 18 to 35, which comprises the statement of financial position as at 30 June 2014, the statement of profit of loss and other 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.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply 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 about 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 of the financial report that gives a true and fair view 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.

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.

CHARTERED ACCOUNTANTS & ADVISORS

Melbourne Office
Level 20, 181 William Street
Melbourne VIC 3000

Hawthorn Office
Level 1, 465 Auburn Road
Hawthorn East VIC 3123

PO Box 185, Toorak VIC 3142
Telephone: +61 3 9824 8555
williambuck.com

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COHIBA MINERALS LIMITED (CONT)

Auditor's Opinion

In our opinion:

a) the financial report of Cohiba Minerals Limited on pages 18 to 35 is 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 2014 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 11 of the directors' report for the year ended 30 June 2014. 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 2014, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Cohiba Minerals Limited for the year ended 30 June 2014 included on company's web site. The company's directors are responsible for the integrity of the company's web site. We have not been engaged to report on the integrity of the company's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck.

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

J. C. Luckins

Director

Dated this 30th day of September, 2014

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 information (as at 26 September 2014)

1. Substantial Shareholders

There were six substantial shareholders:

i. New Hopetoun Pty Ltd holds 3,575,000 ordinary shares and has a voting power of 17.04%.
ii. Vermar Pty Ltd <Cap A/C> holds 3,520,550 ordinary shares and has a voting power of 16.77%.
iii. Jascot Rise Pty Ltd holds 1,675,000 ordinary shares and has a voting power of 7.98%.

2. Number of holders in each class of equity securities and the voting rights attached

Fully Paid Ordinary Shares

There are 183 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.

3. Distribution schedule of the number of holders in each class of equity security

Fully Paid Ordinary Shares

Spread of holdings	Holders	Securities	% of Issued Shares
1 - 1,000	45	50	>0.01
1,001 - 5,000	6	16,427	0.08
5,001 - 10,000	62	617,649	2.94
10,001 - 100,000	43	2,332,141	11.11
100,001 +	27	18,021,233	85.87
Total on register	183	20,987,500	100.00

4. Marketable parcels

There are 52 shareholders with less than a marketable parcel of $500.00 based on a share price of $0.056 which was the closing price on 26 September 2014.

ADDITIONAL SHAREHOLDER INFORMATION (continued)

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 is as follows:

Ordinary Shares Top 20 holders and percentage held

	Holder name	Designation	Securities	% of issued shares
1	VERMAR PTY LTD	<CAP A/C>	3,520,550	16.77
2	NEW HOPETOUN PTY LTD		2,000,000	9.53
3	JASCOT RISE PTY LTD		1,675,000	7.98
4	NEW HOPETOUN PTY LTD		1,575,000	7.50
5	YUKOR MIPOZ PTY LTD		1,007,550	4.80
6	MR ARI KANTOR		1,000,000	4.77
7	MR NACHUM LABKOWSKI		1,000,000	4.77
8	POLARITY B PTY LTD		789,568	3.76
9	MR ITZCHAK BENEDIKT & MRS ROZETTE BENEDIKT	<SNIDER CARMEL P/L S/F A/C>	649,448	3.09
10	MR MATHEW DONALD WALKER		500,000	2.38
11	YAD INVESTMENTS PTY LTD		500,000	2.38
12	LETTERED MANAGEMENT PTY LTD	<BALMORAL FAMILY A/C>	450,000	2.15
13	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	<CUSTODIAN A/C>	390,001	1.86
14	MR RICAHRD STUART DONGRAY & MRS JOAN DONGRAY	<SUPER FUND A/C>	375,000	1.79
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	<A/C 2>	325,000	1.55
16	LNB PTY LTD	<SUPERANNUATION FUND ACCOUNT>	300,000	1.43
17	YAD INVESTMENTS PTY LTD		250,000	1.19
18	MR YOSSI KLEIN & MRS GILA KLEIN	<KLEIN SUPERANNUATION FUND>	250,000	1.19
19	SABRELINE PTY LTD	<JPR INVESTMENT A/C>	250,000	1.19
20	ARIEL NOMINEES PTY LTD		227,000	1.08
		Top 20 total:	17,034,117	81.16
		Balance total:	3,953,383	18.84
		TOTALS:	20,987,500	100.00

ADDITIONAL SHAREHOLDER INFORMATION (continued)

1. **Company Secretary**

   The name of the Company secretary is Ramon Jimenez.

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

   Suite 506, Level 5
   1 Princess Street
   Kew VIC 3101
   Telephone: (03) 9855 1886
   Fax: (03) 9855 2885

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
   Telephone: (08) 9315 2333
   Fax: (03) 9315 2233

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 no restricted securities.

6. **Review of Operations**

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