

Cohiba Minerals Limited

ABN 72 149 026 308

Half-year Financial Report - 31 December 2015

Cohiba Minerals Limited

Contents

31 December 2015

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Cohiba Minerals Limited
Corporate directory
31 December 2015

Directors

Mr Mordechai Benedikt (Non-executive Director and Chairman)
Mr David Herszberg (Non-executive Director)
Mr Nachum Labkowski (Non-executive Director)

Company secretary

Mr Justin Mouchacca

Registered office

Level 4, 100 Albert Road
South Melbourne, VIC 3205
Ph: (03) 9692 7222
Fax: (03) 9077 9233

Principal place of business

Level 4, 100 Albert Road
South Melbourne, VIC 3205

Share register

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: (08) 9315 2333
Fax: (08) 9315 2233

Auditor

William Buck
Level 20, 181 William Street
Melbourne VIC 3000

Stock exchange listing

Cohiba Minerals Limited shares are listed on the Australian Securities Exchange
(ASX code: CHK)

Website

www.cohibaminerals.com.au

Cohiba Minerals Limited
Directors' report
31 December 2015

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2015.

Directors

The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Mordechai Benedikt - Non-Executive Chairman (appointed Chairman on 28 August 2015)
Mr David Herzsberg - Non-Executive Director (stepped down as chairman on 28 August 2015)
Mr Nochum Labkowski - Non-Executive Director (appointed 5 August 2015)
Mr Patrick Volpe - Executive Director and Deputy Chairman (resigned 5 August 2015)

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

The loss for the company after providing for income tax amounted to \$350,338 (31 December 2014: \$643,658).

Financial Position

The Company had \$614,977 (30 June 2015: \$511,358) in cash and term deposits at 31 December 2015 which the Directors believe puts the Company in a sound financial position with sufficient capital to effectively pursue new opportunities.

The net assets of the Company have increased by \$56,820 during the half financial year from \$538,122 as at 30 June 2015 to \$594,942 at 31 December 2015 as a result of the net operating loss for the period of \$350,338.

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 earned any interest in the ELs. The licences were forfeited by the Department of Mines and Petroleum in Western Australia on 4 August 2014. Legal proceedings have been commenced against WPI in the District Court of Western Australia for the recovery of damages, interest and costs. WPI has lodged a counterclaim against the Company.

Other Projects - 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 adding acquisition or entering into a partnership, joint venture or making an investment into projects or companies that hold exploration assets. Your Board is actively seeking projects for the Company and has several under review. Should Cohiba enter into an agreement in respect to any new opportunities, then the Company will keep shareholders and the wider market informed of any developments in this regard.

Significant changes in the state of affairs

On 7 September 2015 the company completed a share placement issuing of 12,500,000 fully paid ordinary shares at an issue price of \$0.01 (1 cent) per share raising \$125,000 before costs.

On 16 October 2015 the Company announced a Non-renounceable Rights Issue Offer seeking to raise a maximum of 48,225,000 fully paid ordinary shares at an issue price of \$0.015 each.

On 17 November 2015 the company completed a rights issue of which 17,319,810 fully paid ordinary shares were subscribed to at an issue price of \$0.015 (1.5 cents) per share raising a total of \$259,797.10 before costs.

There were no other significant changes in the state of affairs of the company during the financial half-year.

Cohiba Minerals Limited
Directors' report
31 December 2015

Matters subsequent to the end of the financial half-year

On 10 February 2016, the Company announced that it has issued 30,905,190 fully paid ordinary shares at an issue price of \$0.015 (1.5 cents) per share in accordance with the shortfall shares from the Company's Pro-rata Non-renounceable Rights Issue Offer dated 16 October 2015.

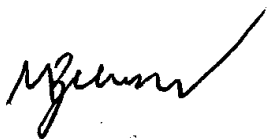
No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mordechai Benedikt
Non-executive Chairman

9 March 2016

**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 half-year ended 31 December 2015 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

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

J.C. Luckins

J.C. Luckins
Director

Dated this 9th day of March 2016

**CHARTERED ACCOUNTANTS
& ADVISORS**

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Melbourne VIC 3000

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Level 1, 465 Auburn Road
Hawthorn East VIC 3123

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Cohiba Minerals Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2015

	Note	31 December 2015 \$	31 December 2014 \$
Revenue			
Interest Income		3,867	7,703
Rental Income		2,375	12,667
Other Income		1,107	-
		<u>7,349</u>	<u>20,370</u>
Expenses			
Administrative and corporate expenses		(180,416)	(147,168)
Director fees		(105,000)	(150,000)
Employee benefits expense		(5,235)	(27,707)
Due diligence expenses - Latin Argentina		-	(302,396)
Depreciation and amortisation expense		(330)	-
Legal expenses		(29,900)	(36,757)
Share based payments expense		(36,806)	-
		<u>(350,338)</u>	<u>(643,658)</u>
Loss before income tax expense		(350,338)	(643,658)
Income tax expense		-	-
		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Cohiba Minerals Limited		(350,338)	(643,658)
Other comprehensive income for the half-year, net of tax		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year attributable to the owners of Cohiba Minerals Limited		<u>(350,338)</u>	<u>(643,658)</u>
		Cents	Cents
Basic loss per share	9	(0.38)	(0.97)
Diluted loss per share	9	(0.38)	(0.97)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Cohiba Minerals Limited
Statement of financial position
As at 31 December 2015

	31 December	30 June 2015
Note	2015	2015
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	614,977	511,358
Trade and other receivables	39,900	38,921
Other current assets	7,802	18,603
Total current assets	<u>662,679</u>	<u>568,882</u>
Non-current assets		
Plant and equipment	-	2,307
Total non-current assets	<u>-</u>	<u>2,307</u>
Total assets	<u>662,679</u>	<u>571,189</u>
Liabilities		
Current liabilities		
Trade and other payables	62,746	29,916
Employee benefits	4,991	3,151
Total current liabilities	<u>67,737</u>	<u>33,067</u>
Total liabilities	<u>67,737</u>	<u>33,067</u>
Net assets	<u>594,942</u>	<u>538,122</u>
Equity		
Issued capital	4 2,919,951	2,549,599
Reserves	36,806	16,579
Accumulated losses	<u>(2,361,815)</u>	<u>(2,028,056)</u>
Total equity	<u>594,942</u>	<u>538,122</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Cohiba Minerals Limited
Statement of changes in equity
For the half-year ended 31 December 2015

	Issued capital \$	Share Based Payment Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2014	2,151,361	-	(1,095,980)	1,055,381
Loss after income tax expense for the half-year	-	-	(643,658)	(643,658)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(643,658)	(643,658)
<i>Transactions with owners in their capacity as owners:</i>				
Issued Capital	431,916	-	-	431,916
Capital raising costs	(25,126)	-	-	(25,126)
Balance at 31 December 2014	<u>2,558,151</u>	<u>-</u>	<u>(1,739,638)</u>	<u>818,513</u>

	Issued capital \$	Share Based Payment Reserve \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2015	2,549,599	16,579	(2,028,056)	538,122
Loss after income tax expense for the half-year	-	-	(350,338)	(350,338)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(350,338)	(350,338)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	36,806	-	36,806
Lapse of performance rights	-	(16,579)	16,579	-
Issued Capital	384,798	-	-	384,798
Capital raising costs	(14,446)	-	-	(14,446)
Balance at 31 December 2015	<u>2,919,951</u>	<u>36,806</u>	<u>(2,361,815)</u>	<u>594,942</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Cohiba Minerals Limited
Statement of cash flows
For the half-year ended 31 December 2015

	Note	31 December 2015 \$	31 December 2014 \$
Cash flows from operating activities			
Receipts from customers		3,482	19,739
Payments to suppliers & employees		(286,404)	(370,691)
Interest received		3,867	7,702
Due-diligence expenses: Latin Argentina		-	(307,406)
		<u> </u>	<u> </u>
Net cash used in operating activities		(279,055)	(650,656)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		1,872	-
Proceeds from release of security deposits		10,450	-
		<u> </u>	<u> </u>
Net cash from investing activities		12,322	-
Cash flows from financing activities			
Proceeds from issue of shares	4	384,798	349,792
Payments for capital raising costs		(14,446)	(27,311)
Repayment of loan by Director related entity		-	3,500
		<u> </u>	<u> </u>
Net cash from financing activities		370,352	325,981
Net increase/(decrease) in cash and cash equivalents		103,619	(324,675)
Cash and cash equivalents at the beginning of the financial half-year		511,358	1,137,163
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year		<u>614,977</u>	<u>812,488</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Cohiba Minerals Limited
Notes to the financial statements
31 December 2015

Note 1. General information

The financial statements cover Cohiba Minerals Limited as an individual entity. The financial statements are presented in Australian dollars, which is Cohiba Minerals Limited's functional and presentation currency.

Cohiba Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4, 100 Albert Road
South Melbourne, VIC 3205
Ph: (03) 9692 7222
Fax: (03) 9077 9233

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 9 March 2016.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

Note 3. Operating segments

Identification of reportable operating 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.

Note 4. Equity - issued capital

	31 December 2015 Shares	30 June 2015 Shares	31 December 2015 \$	30 June 2015 \$
Ordinary shares - fully paid	<u>113,769,809</u>	<u>83,949,999</u>	<u>2,919,951</u>	<u>2,549,599</u>

Cohiba Minerals Limited
Notes to the financial statements
31 December 2015

Note 4. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2015	83,949,999		2,549,599
Placement	7 September 2015	12,500,000	\$0.01	125,000
Rights Issue	17 November 2015	17,319,810	\$0.01	259,798
Less: capital raising costs		-	-	(14,446)
Balance	31 December 2015	113,769,809		2,919,951

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 5. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 6. Fair value measurement

The carrying value of assets and liabilities held by the company approximates their fair value.

Note 7. Contingent liabilities and 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.

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.

There were no other contingent liabilities at 31 December 2015 and 30 June 2015.

Note 8. Events after the reporting period

On 10 February 2016, the Company announced that it has issued 30,905,190 fully paid ordinary shares at an issue price of \$0.015 (1.5 cents) per share in accordance with the shortfall shares from the Company's Pro-rata Non-renounceable Rights Issue Offer dated 16 October 2015.

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Cohiba Minerals Limited
Notes to the financial statements
31 December 2015

Note 9. Loss per share

	31 December 2015	31 December 2014
	\$	\$
Loss after income tax attributable to the owners of Cohiba Minerals Limited	<u>(350,338)</u>	<u>(643,658)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>91,080,823</u>	<u>66,356,495</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>91,080,823</u>	<u>66,356,495</u>
	Cents	Cents
Basic loss per share	(0.38)	(0.97)
Diluted loss per share	(0.38)	(0.97)

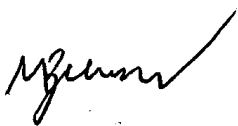
Cohiba Minerals Limited
Directors' declaration
31 December 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mordechai Benedikt
Non-executive Chairman

9 March 2016

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF COHIBA MINERALS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cohiba Minerals Limited (the Company) which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes to the financial statements and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Cohiba Minerals Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

CHARTERED ACCOUNTANTS & ADVISORS

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cohiba Minerals Limited on pages 6 to 13 is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

William Buck

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

J.C. Luckins

J.C. Luckins
Director

Dated this 9th day of March 2016