



COHIBA MINERALS LIMITED

ABN 72 149 026 308

**HALF YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2016**

Cohiba Minerals Limited

Contents

31 December 2016

Corporate directory	2
Directors' report	3
Auditor's independence declaration	5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	15
Independent auditor's review report to the members of Cohiba Minerals Limited	16

Cohiba Minerals Limited
Corporate directory
31 December 2016

Directors

Mr Mordechai Benedikt (Executive 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 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Cohiba Minerals Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

Directors

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

Mr Mordechai Benedikt (Executive Chairman)
Mr David Herzsberg (Non-Executive Director)
Mr Nachum Labkowski (Non-Executive Director)

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 consolidated entity after providing for income tax amounted to \$380,657 (31 December 2015: \$350,338).

Financial Position

The Company had \$490,059 (30 June 2016: \$820,593) in cash and cash equivalents at 31 December 2016 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 \$305,542 during the half year period from \$844,793 as at 30 June 2016 to \$1,150,335 at 31 December 2016. The increase was a result of the completion of a rights issue, acquisition of exploration assets, and net off by the current period operating loss with \$380,657.

Significant changes in the state of affairs

On 26 July 2016 the Company announced that it had executed a binding Terms Sheet with Charge Lithium Pty Ltd (**Charge**) to acquire 100% of the shares on issue in Charge. Charge was the holder of exploration licence applications in Western Australia. Under the Terms Sheet, the Company would acquire 100% of the shares on issue in Charge, in consideration for the issue of 17,500,000 fully paid ordinary shares. A further 3,500,000 fully paid ordinary shares were agreed to be issued subject to each grant of an exploration licence by the Department of Mines WA (**DMP**), with a maximum additional 17,500,000 fully paid ordinary shares proposed to be issued.

On 9 November 2016, the Company completed the acquisition of the (Charge), following receipt of shareholder approval, which was received in October 2016. Prior to completion, the Company executed a Share Sale Agreement with the Vendors of Charge and issued 17,500,000 fully paid ordinary shares as consideration for the acquisition of all the issued capital in Charge. A further 3,500,000 fully paid ordinary shares were issued as the licence which comprises the first of Charge's 5 exploration projects has been granted by the Department of Mines WA (DMP).

On 9 December 2016 the Company issued a further 7,000,000 fully paid ordinary shares following the grant of two additional exploration licences, E70/4861 and E71/4861, by the Department of Mines WA.

During the half year period the Company obtained a waiver of ASX Listing Rule 7.3.2 which permits the Company to issue the remaining fully paid ordinary shares to the Charge Vendors by no later than 20 March 2018. As at 31 December 2016, 10,500,000 fully paid ordinary shares were issued in accordance with this waiver, with a remaining 7,000,000 fully paid ordinary shares yet to have been issued.

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

Matters subsequent to the end of the financial half-year

On 3 February 2017, the Company issued a further 3,500,000 fully paid ordinary shares to the vendors of Charge Lithium Pty Ltd following the grant of Exploration Licence E74/593.

As at the date of this report, there are an additional 3,500,000 fully paid ordinary shares which have yet to have been issued in accordance with the Company's waiver granted in accordance with ASX Listing Rule 7.3.2.

Cohiba Minerals Limited
Directors' report
31 December 2016

On 20 February 2017, the Company announced that it had executed a Binding Terms Sheet to acquire 100% of the issued capital of Cobalt X Pty Ltd (**Cobalt X**). Cobalt X is an Australian proprietary company involved in the business of minerals exploration which has made applications for a mining licence and four exploration licence applications in Queensland. The Company is in the process of carrying out due diligence on the proposed acquisition and will provide updates in due course.

On 20 February 2017 the Company also announced that it had received commitments for the placement of 111,000,000 fully paid ordinary shares (**Placement**) at an issue price of \$0.013 (1.3 cents) raising \$1,443,000 (before costs). The Placement was to be completed in two tranches with 31,000,000 fully paid ordinary shares having already been issued in accordance with the Company's placement capacity with ASX Listing Rule 7.1 (**Tranche 1**) as at the date of this report.

The Tranche 1 Placement was completed on 23 February 2017 and the Company issued a 31,000,000 fully paid ordinary shares at an issue price of \$0.013 (1.3 cents) raising \$403,000 before costs. The remaining 80,000,000 fully paid ordinary Placement shares (**Tranche 2**) will be issued following, and subject to, shareholder approval.

No other matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity'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 immediately after this directors' report.

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
Executive Chairman

14 March 2017

**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 2016 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.

A handwritten signature in blue ink that reads 'William Buck'.

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

A handwritten signature in blue ink that reads 'J.C. Luckins'.

J.C. Luckins
Director

Dated this 14th day of March 2017

**CHARTERED ACCOUNTANTS
& ADVISORS**

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

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Cohiba Minerals Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2016

		Consolidated	
	Note	31 December 2016	31 December 2015
		\$	\$
Revenue			
Interest Income		2,269	3,867
Rental Income		-	2,375
Other Income		-	1,107
		<u>2,269</u>	<u>7,349</u>
Expenses			
Administrative and corporate expenses		(226,965)	(180,416)
Director fees		(138,000)	(105,000)
Employee benefits expense		-	(5,235)
Depreciation and amortisation expense		-	(330)
Legal Expenses		(17,961)	(29,900)
Share based payments expense		-	(36,806)
		<u>(380,657)</u>	<u>(350,338)</u>
Loss before income tax expense		(380,657)	(350,338)
Income tax expense		-	-
		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Cohiba Minerals Limited		(380,657)	(350,338)
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>(380,657)</u>	<u>(350,338)</u>
		Cents	Cents
Basic loss per share	10	(0.21)	(0.38)
Diluted loss per share	10	(0.21)	(0.38)

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 2016

		Consolidated	
	Note	31 December	30 June 2016
		2016	2016
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		490,059	820,593
Trade and other receivables		16,655	29,002
Other		25,572	13,655
Total current assets		<u>532,286</u>	<u>863,250</u>
Non-current assets			
Exploration and evaluation	4	<u>650,465</u>	-
Total non-current assets		<u>650,465</u>	-
Total assets		<u>1,182,751</u>	<u>863,250</u>
Liabilities			
Current liabilities			
Trade and other payables		24,916	18,457
Provisions		7,500	-
Total current liabilities		<u>32,416</u>	<u>18,457</u>
Total liabilities		<u>32,416</u>	<u>18,457</u>
Net assets		<u>1,150,335</u>	<u>844,793</u>
Equity			
Issued capital	5	4,391,848	3,705,649
Reserves		176,513	176,513
Accumulated losses		<u>(3,418,026)</u>	<u>(3,037,369)</u>
Total equity		<u>1,150,335</u>	<u>844,793</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 2016

Consolidated	Issued Capital \$	Share Based Payment Reserves \$	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)
Share-based payment expenses	-	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>

Consolidated	Issued Capital \$	Share Based Payment Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2016	3,705,649	176,513	(3,037,369)	844,793
Loss after income tax expense for the half-year	-	-	(380,657)	(380,657)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(380,657)	(380,657)
Issue of ordinary shares as consideration for acquisition of Charge Lithium, net of transaction costs and tax	420,000	-	-	420,000
Contingent consideration of Charge Lithium acquisition	105,000	-	-	105,000
Contributions of equity net of transaction costs	161,199	-	-	161,199
Balance at 31 December 2016	<u>4,391,848</u>	<u>176,513</u>	<u>(3,418,026)</u>	<u>1,150,335</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 2016

		Consolidated	
	Note	31 December 2016	31 December 2015
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		-	3,482
Payments to suppliers & employees (inclusive of GST)		(378,532)	(286,404)
Interest received		2,269	3,867
		<u> </u>	<u> </u>
Net cash used in operating activities		<u>(376,263)</u>	<u>(279,055)</u>
Cash flows from investing activities			
Payments for exploration and evaluation assets through acquisition of Charge Lithium (treated as an acquisition of asset)	4	(115,470)	-
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/(used in) investing activities		<u>(115,470)</u>	<u>12,322</u>
Cash flows from financing activities			
Proceeds from issue of shares	5	162,043	384,798
Payments for capital raising costs	5	(844)	(14,446)
		<u> </u>	<u> </u>
Net cash from financing activities		<u>161,199</u>	<u>370,352</u>
Net increase/(decrease) in cash and cash equivalents		(330,534)	103,619
Cash and cash equivalents at the beginning of the financial half-year		<u>820,593</u>	<u>511,358</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>490,059</u></u>	<u><u>614,977</u></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 2016

Note 1. General information

The financial statements cover Cohiba Minerals Limited as a consolidated entity consisting of Cohiba Minerals Limited and the entities it controlled at the end of, or during, the half-year. 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 consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The consolidated entity is a profit-oriented entity.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 March 2017.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2016 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 2016 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, except for the policies stated below.

Note 2. Significant accounting policies (continued)

Exploration and evaluation assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Acquisition of rights to explore is capitalised and measured at cost. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. If it is determined that commercial discovery has not been achieved, these costs are charged to expense.

Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to development tangible and intangible assets. No depreciation and/or amortisation is charged during the exploration and evaluation phase.

A regular review for impairment is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the leases. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Impairment – exploration and evaluation assets

Exploration and evaluation assets are tested for impairment when reclassified to development tangible or intangible assets, or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs to sell and their value in use.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended 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. Non-current assets - exploration and evaluation

	Consolidated	
	31 December	30 June 2016
	2016	2016
	\$	\$
Exploration and Evaluation Assets	650,465	-

Cohiba Minerals Limited
Notes to the financial statements
31 December 2016

Note 4. Non-current assets - exploration and evaluation (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Capitalised exploration and evaluation expenditure \$	Total \$
Balance at 1 July 2016	-	-
Additions through business combinations	647,970	647,970
Expenditure during the half-year	2,495	2,495
Balance at 31 December 2016	<u>650,465</u>	<u>650,465</u>

On 9 November 2016, the Company completed the acquisition of the Charge Lithium Pty Ltd (**Charge**), following receipt of shareholder approval, which was received in October 2016. Prior to completion, the Company executed a Share Sale Agreement with the Vendors of Charge and issued 17,500,000 fully paid ordinary shares as consideration for the acquisition of all the issued capital in Charge. A further 3,500,000 fully paid ordinary shares were required to be issued upon the grant of each exploration project area by the Department of Mines WA (DMP). As at 31 December 2016, 10,500,000 fully paid ordinary shares had been issued with respect to the granting of exploration licences.

As at 31 December 2016, Charge was the holder of the following exploration licences and licence applications:

- Exploration licence application E74/593 (**Mt Cattlin Central Lithium Project**);
- Granted exploration licence E70/4861 (**Big Galaxy Project**);
- Granted exploration licence E74/594 (**Pyramid Lake Lithium Brine Project**);
- Granted exploration licence E70/4862 (**Greenbushes North Lithium Project**); and
- Exploration licence applications E45/4767, E45/4768 and E45/4769 (collectively the **Pilgangoora Central Lithium Project**).

The acquisition is not considered a business combination as defined in AASB 3 as Charge Lithium was not considered to be carrying on a business. As such the acquisition has been treated as an asset acquisition with the fair value of the asset been the consideration. The acquisition also has contingent consideration, as at 31 December 2016, to be paid upon the grant of the remaining exploration license areas (the Pilgangoora Central Lithium Project and Mt Cattlin Central Lithium Project) by a fixed number of shares which thus considered as equity (refer to note 5 for further information).

The Company also paid \$78,000 to Charge in accordance with the Terms Sheet, in recognition of Charge's costs and fees incurred to date with respect to prosecuting the Tenements. In addition, the company paid \$37,470 with respect to additional acquisition costs which were deemed as transaction costs and capitalised.

The acquisition of exploration rights (including transaction costs) are capitalised and measured at cost.

The recoverability of the carrying amount of deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

Note 5. Equity - issued capital

	Consolidated			
	31 December 2016 Shares	30 June 2016 Shares	31 December 2016 \$	30 June 2016 \$
Ordinary shares - fully paid	<u>203,312,207</u>	<u>164,509,373</u>	<u>4,391,848</u>	<u>3,705,649</u>

Cohiba Minerals Limited
Notes to the financial statements
31 December 2016

Note 5. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2016	164,509,373		3,705,649
Rights issue	16 September 2016	10,802,834	\$0.015	162,043
Issue of ordinary shares as consideration for acquisition of Charge Lithium	9 November 2016	17,500,000	\$0.015	262,500
Issue of ordinary shares as consideration for the grant of the Pyramid Lake Lithium Brine Project	9 November 2016	3,500,000	\$0.015	52,500
Issue of ordinary shares as consideration for grant of the Big Galaxy Project and Greenbushes North Lithium Project	9 December 2016	7,000,000	\$0.015	105,000
Contingent consideration payable upon the grant of the Pilgangoora Central Lithium Project	31 December 2016	-	-	52,500
Contingent consideration payable upon the grant of the Mt Cattlin Central Lithium Project	31 December 2016	-	-	52,500
Less: capital raising costs		-	-	(844)
Balance	31 December 2016	<u>203,312,207</u>		<u>4,391,848</u>

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 6. Equity - dividends

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

Note 7. Fair value measurement

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

Note 8. Contingent liabilities

There were no contingent liabilities at 31 December 2016.

Note 9. Events after the reporting period

On 3 February 2017, the Company issued a further 3,500,000 fully paid ordinary shares to the vendors of Charge Lithium Pty Ltd following the grant of Exploration Licence E74/593.

As at the date of this report, there are an additional 3,500,000 fully paid ordinary shares which have yet to have been issued in accordance with the Company's waiver granted in accordance with ASX Listing Rule 7.3.2.

On 20 February 2017, the Company announced that it had executed a Binding Terms Sheet to acquire 100% of the issued capital of Cobalt X Pty Ltd (**Cobalt X**). Cobalt X is an Australian proprietary company involved in the business of minerals exploration which has made applications for a mining licence and four exploration licence applications in Queensland. The Company is in the process of carrying out due diligence on the proposed acquisition and will provide updates in due course.

Cohiba Minerals Limited
Notes to the financial statements
31 December 2016

Note 9. Events after the reporting period (continued)

On 20 February 2017 the Company also announced that it had received commitments for the placement of 111,000,000 fully paid ordinary shares (**Placement**) at an issue price of \$0.013 (1.3 cents) raising \$1,443,000 (before costs). The Placement was to be completed in two tranches with 31,000,000 fully paid ordinary shares having already been issued in accordance with the Company's placement capacity with ASX Listing Rule 7.1 (**Tranche 1**) as at the date of this report.

The Tranche 1 Placement was completed on 23 February 2017 and the Company issued a 31,000,000 fully paid ordinary shares at an issue price of \$0.013 (1.3 cents) raising \$403,000 before costs. The remaining 80,000,000 fully paid ordinary Placement shares (**Tranche 2**) will be issued following, and subject to, shareholder approval.

No other matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 10. Loss per share

	Consolidated	
	31 December	31 December
	2016	2015
	\$	\$
Loss after income tax attributable to the owners of Cohiba Minerals Limited	<u>(380,657)</u>	<u>(350,338)</u>
	Cents	Cents
Basic loss per share	(0.21)	(0.38)
Diluted loss per share	(0.21)	(0.38)
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	<u>177,504,484</u>	<u>91,080,823</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>177,504,484</u>	<u>91,080,823</u>

Cohiba Minerals Limited
Directors' declaration
31 December 2016

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 consolidated entity's financial position as at 31 December 2016 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
Executive Chairman

14 March 2017

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) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies 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 consolidated entity's financial position as at 31 December 2016 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.

Independence

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

CHARTERED ACCOUNTANTS & ADVISORS

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Melbourne VIC 3000

Telephone: +61 3 9824 8555

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

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 is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 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.

A handwritten signature in blue ink that reads 'William Buck'.

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

A handwritten signature in blue ink that reads 'J. C. Luckins'.

J. C. Luckins
Director

Dated this 14th day of March, 2017