



Cohiba Minerals Limited

ABN 72 149 026 308

Interim Financial Report

31 December 2011



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DIRECTORS' REPORT

Your directors submit the financial report of Cohiba Minerals Limited ("the Company") for the half-year ended 31 December 2011. 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 period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

James Robinson	Managing Director
Matthew Sheldrick	Non-executive Chairman
Simon Coxhell	Non-executive Director

Review and Results of Operations

Review of Operations

Highlights during the period and since the end of the half-year include:

- Satisfaction of the Condition Precedent of the Farm-in Agreement with West Peak Iron Limited.
- Initial assessment of a number of advanced exploration projects for potential acquisition in line with the Company objectives as stated in the IPO prospectus.

Project Overview

Santy Well Project

Cohiba has entered in to a farm-in agreement whereby it has the exclusive right to earn an initial 50% interest in the mineral rights (excluding iron ore) within two granted tenements in the Mid West region of Western Australia – the Santy Well Project – from West Peak Iron Limited. This Report reviews the precious and base metals prospectivity, previous exploration and geological setting of the Santy Well Project.

The Santy Well Project is considered to be prospective for precious and base metals mineralisation associated with the Talling Greenstone sequence in the Mid West region of Western Australia. The Mid West region is host to a wide range of mineralisation styles, with significant deposits including:

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

Previous exploration over the Santy Well Project has been reasonably extensive and successful in defining a range of targets from surface exploration and geophysical surveys which have been subjected to limited follow up exploration.

Work completed included regional and prospect scale geophysical surveys (aeromagnetics, ground magnetics, GEOTEM) and regional to prospect scale surface sampling (rock chip sampling, soil sampling, auger drilling). The main target of this work was Archaean greenstone hosted base metal and gold mineralisation.

Significant Events Since the end of the period

Since the end of the period the Company finalised its capital raising of \$2,250,000 at \$0.20 per share and was admitted to the official list of the ASX.

Operating results

The loss of the Company for the period was \$9,397.



DIRECTORS' REPORT (continued)

Auditor Independence and Non-Audit Services

Section 307C of the Corporation Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the half-year report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the half-year ended 31 December 2011.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

A handwritten signature in black ink that reads "Matthew Sheldrick".

Matthew Sheldrick

Chairman

Perth, Western Australia

Dated this 15th day of March 2012



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Cohiba Minerals Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in blue ink, appearing to read 'Norman Judd', written in a cursive style.

Perth, Western Australia
15 March 2012

N G NEILL
Partner, HLB Mann Judd

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Notes	31 Dec 2011 \$
Other income		506
Other expenses		(9,903)
Loss before income tax expense	2	<u>(9,397)</u>
Income tax expense		-
Loss after income tax expense		<u>(9,397)</u>
Other comprehensive income		-
Total comprehensive loss for the period		<u>(9,397)</u>
Basic loss per share (cents per share)		(0.13)

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Note	31 Dec 2011 \$	30 Jun 2011 \$
Assets			
Current Assets			
Cash and cash equivalents		2,259,911	26,828
Trade and other receivables		1,173	86,975
Total Current Assets		<u>2,261,084</u>	<u>113,803</u>
Non-Current Assets			
Deferred exploration and evaluation expenditure	3	9,991	9,991
Total Non-Current Assets		<u>9,991</u>	<u>9,991</u>
Total Assets		<u>2,271,075</u>	<u>123,794</u>
Liabilities			
Current Liabilities			
Trade and other payables		142,817	10,700
Total Current Liabilities		<u>142,817</u>	<u>10,700</u>
Total Liabilities		<u>142,817</u>	<u>10,700</u>
Net Assets		<u>2,128,258</u>	<u>113,094</u>
Equity			
Issued capital	4	2,164,562	140,001
Reserves	4	6,500	6,500
Accumulated losses		(42,804)	(33,407)
Total Equity		<u>2,128,258</u>	<u>113,094</u>

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Issued Capital	Option Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2011	140,001	6,500	(33,407)	113,094
Loss for the period	-	-	(9,397)	(9,397)
Total comprehensive loss for the period	-	-	(9,397)	(9,397)
Shares issued	2,250,000	-	-	2,250,000
Transaction costs on share issue	(225,439)	-	-	(225,439)
As at 31 December 2011	2,164,562	6,500	(42,804)	2,128,258

The accompanying notes form part of these financial statements

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Note	31 Dec 2011 \$ Inflows/ (Outflows)
Cash flows from operating activities		
Payments to suppliers and employees		(3,920)
Interest received		506
Net cash used in operating activities		<u>(3,414)</u>
Cash flows from financing activities		
Proceeds from unissued shares		2,250,000
Transaction costs on unissued of shares		(13,503)
Net cash provided by financing activities		<u>2,236,497</u>
Net increase in cash held		2,233,083
Cash and cash equivalents at the beginning of the period		<u>26,828</u>
Cash and cash equivalents at the end of the financial period		<u>2,259,911</u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The interim financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2011 and the prospectus issued on 23 May 2011.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2011.

The accounting policies adopted are consistent with those of the previous financial year.

As the Company was incorporated on 28 January 2011, there are no comparatives available for the condensed Statement of Comprehensive Income, Condensed Statement of Changes in Equity and Condensed Statement of Cash Flows.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2011, 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 annual reporting periods beginning on or after 1 July 2011.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2011. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Cohiba Minerals Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**
NOTE 2: LOSS BEFORE INCOME TAX EXPENSE

The following revenue and expense items are relevant in explaining the performance for the half-year:

	31 Dec 2011
	\$
Income	
Interest Income	506
Expenses	
Administrative expenses	1,326
Travelling expenses	8,576

NOTE 3: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Costs carried forward in respect of:	31 Dec 2011	30 Jun 2011
Exploration and evaluation phase – at cost	\$	\$
Balance at the beginning of the period	9,991	-
Expenditure incurred and acquisition costs		
Santy Well Project	-	9,991
Total Exploration Expenditure balance at end of the period	9,991	9,991

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**
NOTE 4: ISSUED CAPITAL AND RESERVES

	31 December 2011		30 June 2011	
	No.	\$	No.	\$
Ordinary shares				
<i>Movement in number of fully paid ordinary shares</i>				
Opening balance	7,000,000	140,001	-	-
Shares issued	-	-	7,000,000	140,001
Unissued shares ⁽¹⁾	11,250,000	2,250,000	-	-
Transaction costs arising from issue of shares	-	(225,439)	-	-
Closing balance	18,250,000	2,164,562	7,000,000	140,001

⁽¹⁾ The unissued shares were issued on 30 January 2012 when the Company's IPO closed and the Company was officially listed on the ASX. The Company received \$2,250,000 which was the minimum subscription by 31 December 2011. No further funds were raised subsequent to the period end.

Company Options

Movement in number of options

Opening balance	6,500,000	6,500	-	-
Options issued	-	-	6,500,000	6,500
Closing balance	6,500,000	6,500	6,500,000	6,500

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011****NOTE 5: SEGMENT REPORTING**

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Company that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The chief operating decision-maker has been identified as the Board of Cohiba Minerals Limited. The Company operates in one segment, being mineral operation and evaluation in Australia. Accordingly, under the 'management approach' outlined only one operating segment has been identified and no further disclosure is required in the notes to the consolidated financial statements.

NOTE 6: DIVIDENDS

The directors of the Company have not declared an interim dividend.

NOTE 7: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

On 30 January 2012 the Company finalised its capital raising of \$2,250,000 at \$0.20 and was admitted to the official list of the ASX.

DIRECTORS' DECLARATION

In the opinion of the directors of Cohiba Minerals ('the Company'):

1. the financial statements and notes thereto, as set out on pages 5 to 12, are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and other mandatory professional reporting requirements;
 - b. giving a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to S.303 (5) of the Corporations Act 2001.



Matthew Sheldrick
Chairman

Dated this 15th day of March 2012



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cohiba Minerals Limited

Report on the Condensed Interim Financial Report

We have reviewed the accompanying interim financial report of Cohiba Minerals Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine is necessary to enable the preparation of the interim 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 interim 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 31 December 2011 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 the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.



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Matters relating to the electronic presentation of the reviewed interim financial report

This review report relates to the interim financial report of the company for the half-year ended 31 December 2011 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the interim financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the interim financial report. If users of the interim financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed interim financial report to confirm the information contained in this website version of the interim financial report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim 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 company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

HLB MANN JUDD
Chartered Accountants

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

N G NEILL
Partner

Perth, Western Australia
15 March 2012