Cohiba Minerals Limited
ABN 72 149 026 308

Annual Financial Report
30 June 2013

CORPORATE INFORMATION

ABN 72 149 026 308

Directors		
	David Herszberg	*Non-Executive Chairman*
	Pat Volpe	*Non-Executive Director*
	Mordechai Benedikt	*Non-Executive Director*
Company secretary	John Ceccon	
Registered office	Suite 5, Level 1 310 Whitehorse Road Balwyn VIC 3103 Telephone: (03) 9830 7676 Fax: (03) 9836 3056	
Principal place of business	Suite 5, Level 1, 310 Whitehorse Road Balwyn VIC 3103	
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 Audit (Vic) Pty Ltd 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 2013. 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 Director (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)
David Bernard	Non-Executive Director (appointed 8 February 2013, resigned 17 May 2013)
Marc Spicer	Non-Executive Director (resigned 28 November 2012)
James Robinson	Managing Director (resigned 14 September 2012)

Names, qualifications, experience and special responsibilities

Mr David Herszberg
Non-Executive Chairman
Age: 42

Mr Herszberg has more than 20 years of corporate and management experience. He has served in various positions as President or Director of a number of private companies, both in Australia and the United States. Mr Herszberg has extensive consumer electronics experience and was active in bringing electronic products to Australia. He also has extensive experience in the commercial property market in both developments and investments.

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 Director
Age: 55
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:

- Chairman - Botswana Metals Limited (appointed 19 January 2007).
- Chariman - Cardia Bioplastics Limited (appointed 23 May 1994).
- Genesis Resources Limited (appointed 11 May 2012).

DIRECTORS' REPORT (continued)

Names, qualifications, experience and special responsibilities (continued)

Mr Mordechai Benedikt
Non-Executive Director
Age: 27

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.

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

- World Oil Limited (appointed 13 June 2013).

During the financial year Global Constructive Solutions Pty Ltd trading as Alerion Corporate Services ("Alerion") provided management and administration services to the Company under various agreements. After the resignation of James Robinson as Managing Director, the Company ceased to have any executive directors and thereafter Alerion provided the services normally undertaken by executives of the Company. Details of the fees paid to Alerion are contained in Note 15.

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]	200,000	750,000
Pat Volpe [2]	-	3,520,550
Mordechai Benedikt [3]	-	1,675,000
Totals	200,000	5,945,550

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

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

Company Secretary

Marc Spicer was Company Secretary during the financial year. Mr Spicer is a qualified accountant and has a Bachelor degree majoring in Accounting and Finance. Mr Spicer has worked in various roles in the financial industry as a risk analyst and in client services. He has attained a Diploma in financial planning from Kaplan Professional and is currently the Graduate Diploma of Applied Corporate Governance from Chartered Secretaries Australia. Marc Spicer ceased to be the Company Secretary on 15 July 2013.

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

John Ceccon was appointed as Company Secretary on 26 July 2013.

DIRECTORS' REPORT (continued)

Dividends

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

Principal Activities

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

Review of Operations

THE SANTY WELL PROJECT

The Santy Well project is located approximately 440 kilometres north of Perth and 60 kilometres from the township of Mullewa. The project area is on the northern limb of the east north trending Tallering Greenstone Belt which is 100 kilometres in length by 50 kilometres wide and is considered prospective for gold and base metal deposits, see Figure 1.

Figure 1 – Santy Well Project Location Plan

The Tallering Greenstone Belt has not been effectively explored as there is no outcrop, fresh bedrock is from 50 metres to 70 metres depth and obscured by a transported sand and gravel cover. All geological information from previous explorers has been obtained through drilling and geophysics programs. The Company entered into a Farm-in Agreement with West Peak Iron Limited to earn an initial 50% interest in the mineral rights other than iron ore for EL59/1677 and EL59/1678 through the sole funding of $100,000.00 of exploration expenditure.

The eastern limb of the Tallering Greenstone Belt has been explored by a number of companies who have identified The Snake Well project which in part consists of the Rabbit Well prospect, a shallow gold resource of 460,000 tonnes @ 3.11 g/t Au and a number of other prospects such as the A zone, Conquistador and Kerbar all prospective for volcanic massive sulphide hosted deposits.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

During the December 2012 quarter a remote desktop analysis identified **nine follow up targets** based on the open file geological mapping and publicly available Western Australian State Government magnetic and radiometric data sets.

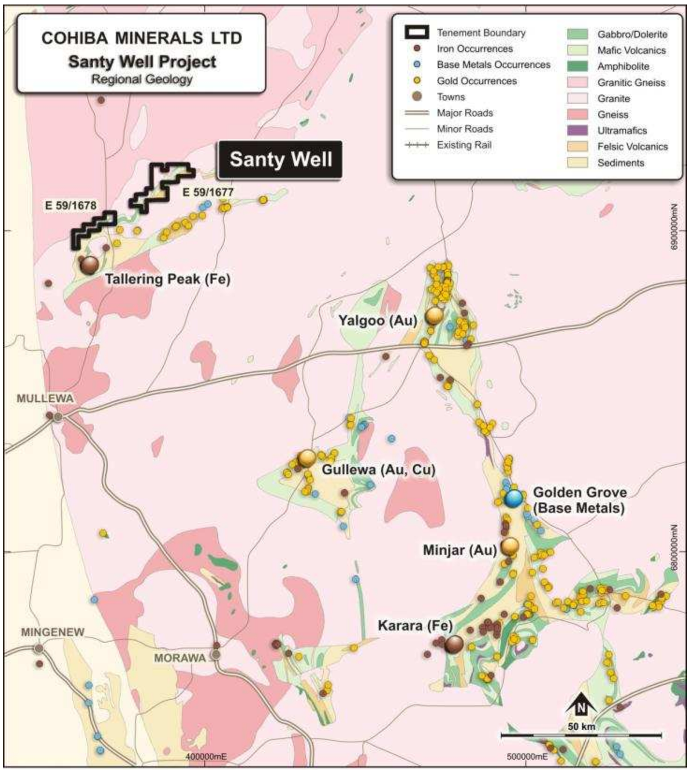

Figure 2 – Mid West Regional Geology and Project Location

The suite of rocks hosting the Snake Well and Rabbit Well base and precious metals ore bodies are interpreted to extend around to the northern limb of the greenstone belt within the tenements that the Company has an interest in.

Gold mineralisation is predicted to occur on magnetic highs caused by structural intersections and similar settings to the Rabbit Well north prospect have been identified.

These magnetic highs are also co-incident with radiometric lows (K/Th) which are similar in nature to those hosting known deposits on the southern limb of the Tallering Greenstones.

From these nine targets, Anomaly 3 was soil sampled, historical workings located at Anomaly 6 were followed up in the field during the December 2012 and March 2013 quarters and the results from this sampling program were received and analysed during this reporting period.

Anomaly 6 - EL59/1677

Anomaly 6 is located approximately 12 kilometres to the north east of Area 3. Previous work by Delta Gold NL reported a rock chip south of the tenement boundary that assayed 68 g/t Au in float, the source of the Au anomaly has yet to be found.

North of the rock chip location within the Company's joint venture tenement is a historic working, this was located in the field and two samples collected for assay.

A total of six rock chip samples were collected from this location and the samples have been submitted to SGS for analysis.

Anomaly 3 – EL59/1678

Anomaly 3 is at the location of two intersecting magnetic structures and a coincident radiometric K low and Th high that is similar to the magnetic and radiometric signature of the Rabbit Well Au anomaly. A single line of soil samples normal to the interpreted magnetic structure with a sample spacing 40 m were collected. A total of 21 samples submitted to SGS for Mobile Metal Iron analysis (MMI).

DIRECTORS' REPORT (continued)

Review of Operations (continued)

Independent Laboratory Results on Soil Samples

The soli data results were modelled for As, Au, Cu, Pb and Zn for the purpose of comparison all elements were statistically treated using a natural break in population method calculated over five ranges. The best MMI soil result was 0.5 ppb Au from sample 26106. The rock chip data was treated in a similar fashion. The best rock chip results were SWRK 07, SWRK 10 and SWRK 11 all of which reported 0.2 ppb Au. No elements reported anomalous results, some were slightly above background levels but these do not warrant additional follow up work.

Based on these results no future work is planned on these anomalies. The Directors will review the remaining seven potential targets and then determine the level of exploration activity.

During the year the Company achieved the goal of sole funding $100,000 of exploration expenditure on the Project and thereby earned a 50% interest in the joint venture.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information reviewed by Mr. Graeme Fraser, a Member of the Australian Institute of Geoscientists. Mr. Fraser has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to be qualified as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". The information in this report relating to Exploration Results, Mineral Resources or Ore Reserves was taken from the Quarterly Activities Report of the Company for the quarter ended 30 June 2013 released to the ASX and Mr Fraser consented to the inclusion in that report of the matters based on his information in the form and context in which they appeared in that report.

PROJECT EVALUATION AND APPRAISAL

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

FORWARD LOOKING AND EXPLORATION TARGET STATEMENTS

Some statements in this report regarding estimates or future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward looking statements include, but are not limited to, statements concerning the 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.

On 14 September 2012 the Company moved its Registered Office and Principal Place of Business from Perth, Western Australia to Melbourne, Victoria, James Robinson resigned as a Director of the Company and Amos Meltzer was appointed as a Director of the Company.

On 19 September 2012 the Company made an investment of $475,000 for the purchase of 23,750,000 shares in Altius Mining Limited (ASX: AYM) ("Altius") at $0.02 per share. On 24 May 2013 the Company disposed of the investment in Altius at a price of $0.027 per share, being a substantial premium to the market price. The disposal was by off-market transfer. The net gain to the Company from the sale was $71,250 after payment of costs.

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

On 1 October 2012, the Company entered into a 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 will provide the head office and principal place of business, company secretarial services, book keeping, accounting services and general administration services to the Company for a monthly fee of $12,000 plus GST. The agreement is for an initial period of 3 months followed by rolling 3 month engagements. The Company entered into a Replacement Services Agreement with Alerion on 29 November 2012 that provided for the payment of additional fees to Alerion for a range of services and provides for rolling 12 month engagements.

On 28 November 2012 Marc Spicer resigned as a Director of the Company and John Ceccon was appointed as a Director.

On 5 December 2012 the Company entered into a Licence Agreement with Alerion under which Alerion agreed to provide office space to the Company at a monthly fee of $3,750 plus GST ("the Licence Agreement")

On 8 February 2013 David Bernard was appointed as a Director of the Company.

On 17 May 2013 David Bernard resigned as a Director of the Company.

DIRECTORS' REPORT (continued)

Review of Operations (continued)

On 26 June 2013 a substantial shareholder of the company, Vermar Pty Ltd (an entity controlled by Pat Volpe), requisitioned a meeting to consider the appointment of new directors and the removal of the existing directors.

Significant Events Since the end of the period

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 as a Director of the Company.

On 31 August 2013 John Ceccon resigned as a Director of the Company. He continues in office as Company Secretary.

On 1 September 2013 the Company moved its Registered Office and Principal Place of Business from Prahran in Victoria to Suite 5, Level 1, 310 Whitehorse Road, Balwyn in Victoria.

On 2 September 2013 the Company received a notice from Aphex Minerals Pty Ltd ("Aphex") advising that West Peak Iron Limited ("West Peak") had purported to assign the tenements for the Santy Well project to Aphex.

On 23 September 2013 the Company advised Aphex that the Company had become aware of the purported sale of the Santy Well project to Aphex and advised that the Company believes it has earned a 50% interest in the same project pursuant to the agreement with West Peak. Aphex was also advised that the Company has the first right of refusal over the licences in question and the Company has not been formally advised to date of this sale by West Peak in accordance with the agreement.

The Company's Caveat over the two Exploration Licences is still in force (registered) at the date of this report and the Company awaits a response from Aphex so it can determine its position and decide on a course of action.

On 30 September 2013 the Directors of the Company resolved, due to the significant uncertainty relating to the 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.

Following sustained non-delivery of services by Alerion, the Company terminated the Replacement Services Agreement and the Licence Agreement. The Company has paid all fees claimed by Alerion for the period up to and including 31 July 2013. Alerion has invoiced the Company for fees totalling $15,750 plus GST for August 2013 but the Directors to not accept that the Company is liable to pay those amounts, or any other amount, to Alerion. During the year it became clear to the Directors that Alerion was not responding to requests for information and services under the agreement and in July 2013 the Directors resolved to make no further payments to Alerion. Prior to July 2013 Alerion, under the administration agreement, had the authority to make all payments, including payments to itself. On the appointment of the new directors in July 2013 the control of the payment and banking functions were brought back under the control of the Board. As the contracted services are no longer being provided to the company, the Directors commenced the necessary steps to terminate the agreements in the September 2013 quarter.

Operating results for the year

The comprehensive loss of the Company for the financial year to 30 June 2013, after providing for income tax amounted to $547,596 (2012: $126,028).

Review of financial conditions

The Company had $1,416,747 in cash and term deposits at 30 June 2013 which the Directors believe puts the Company in a sound financial position with sufficient capital to effectively explore its tenements and pursue other resource-based opportunities. The net assets of the Company have decreased by $547,596 during the financial year from $1,998,426 as at 30 June 2012 to $1,450,830 at 30 June 2013 as a result of the net operating loss for the period of $547,596 of which the major expenses were for fees, services, costs and commissions paid to Alerion and associated companies and the write down of the Company's exploration contributions to the Santy Wells joint venture project. 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. The Company will also make a decision on whether or not to continue to contribute to the funding of exploration on its interest in the Santy Well project.

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.

DIRECTORS' REPORT (continued)

Likely developments and expected results (continued)

Key Business Strategies for FY 2014

In the 2014 financial year the Company intends to continue its strategy of expanding its exploration portfolio that is currently limited to a joint interest in the Santy Wells project in Western Australia. 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.

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.

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 2013.

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 Director) (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)

Mr David Bernard (Non-Executive Director) (appointed 8 February 2013, resigned 17 May 2013)

Mr Marc Spicer (Non-Executive Director) (resigned 28 November 2012).

Mr James Robinson (Managing Director) (resigned 14 September 2012)

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.

DIRECTORS' REPORT (continued)

Remuneration report (continued)

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.

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.

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 2013 is detailed in the remuneration of key management personnel in Table 1 of this report.

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 2013 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

James Robinson

The Company entered into an executive services agreement with James Robinson (Services Agreement) effective on and from the date the Company was admitted to the Official List (1 February 2012). Under the Services Agreement, Mr Robinson was engaged by the Company to provide services to the Company in the capacity of Executive Director on a part-time basis of initially no less than 30 hours per week and such additional time as is reasonably necessary. Mr Robinson will be paid an annual remuneration of $100,000 plus statutory superannuation. The Company terminated Mr. Robinson on 14 September 2012. During the year the sum of $32,250 was paid to Mr Robinson by way of wages, superannuation and termination payments.

Administration Agreement - Cicero

The Company entered into an agreement with Cicero Corporate Services Pty Ltd ("Cicero") defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Company. Cicero was entitled to a monthly fee of $12,000 plus GST. The agreement between the Company and Cicero was terminated on 30 September 2012. Mr Robinson, a former director of the Company, is a director and 33.3% shareholder of Cicero. During the year the sum of $36,000 was paid to Cicero.

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 Spicer, a former director of the Company, was an employee of Alerion. As at the date of this report, the Company is no longer using the services of Alerion.

Options

During the year ended 30 June 2013, there were no options granted as part of director remuneration.

DIRECTORS' REPORT (continued)

Remuneration of key management personnel

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Table 1: 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	-

With the exception of Mr James Robinson none of the Directors were employees of the Company. 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.

Table 2: Directors' and key management personnel remuneration for the year ended 30 June 2012

	Short-term employee benefits			Post-employment benefits					
	Salary and Fees	Bonuses	Non-Monetary Benefits	Superannuation	Prescribed Benefits	Equity Options	Other	Total	Performance Related %
Mr James Robinson	41,667	-	-	3,750	-	-	-	45,417	-
Mr David Herszberg	-	-	-	-	-	-	-	-	-
Mr Marc Spicer	-	-	-	-	-	-	-	-	-
Mr Matthew Sheldrick (resigned 30/05/12)	10,000	-	-	900	-	-	-	10,900	-
Mr Simon Coxhell (resigned 30/05/12)	16,667	-	-	-	-	-	-	16,667	-
Total	68,334	-	-	4,650	-	-	-	72,984	-

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	1	1
John Ceccon (appointed 28 November 2012) (resigned 31 August 2013)	2	2	1	1
Amos Meltzer (appointed 14 September 2012) (resigned 2 August 2013)	3	3	-	-
David Bernard (appointed 8 February 2013) (resigned 17 May 2013)	2	2	-	-
Marc Spicer (resigned 28 November 2012)	3	3	-	-
James Robinson (resigned 14 September 2012)	2	1	-	-

In addition, there were three circular resolutions signed by the board. Pat Volpe and Mordechai Benedikt were appointed after the end of the financial year and were not eligible to attend any meetings during the financial year.

Proceedings on behalf of the Company

There are no proceedings on behalf of the Company.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, William Buck Audit (Vic) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 16 and forms part of this directors' report for the year ended 30 June 2013.

Non-Audit Services

For the year ended 30 June 2013 no non-audit services were provided to the Company.

Signed in accordance with a resolution of the directors.

Mr David Herszberg
Chairman
Melbourne, Victoria
Dated this 30th day of September 2013.

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 2013.

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Role and Responsibilities of the Board

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

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

STRUCTURE THE BOARD TO ADD VALUE

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Directors' Report. Directors of 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.

The current director that is considered independent is:

Mr David Herszberg Non-executive Chairman

CORPORATE GOVERNANCE STATEMENT (continued)

STRUCTURE THE BOARD TO ADD VALUE (continued)

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

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

Name	Term in Office
Mr David Herszberg	16 months
Mr Pat Volpe	2 months
Mr Mordechai Benedikt	2 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 Marc Spicer (from the start of the financial year until 28 November 2012)
- Mr John Ceccon (from 28 November 2012 until the end of the 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 will review and discuss strategic risks and opportunities as they arise and arising from changes in the Company's business environment regularly and on an as need basis. The board may delegate some of the abovementioned responsibility to management and committees of the board but maintain the overall responsibility for the process.

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

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

CORPORATE GOVERNANCE STATEMENT (continued)

Integrity of Financial Reporting

The Board receives regular reports about the financial condition, operating results and budgets of the Company. The 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 2013 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, 2013

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Interest income		54,992	51,235
Gain on sale of director-related investment		71,250	-
Impairment of deferred exploration expenditure		(123,445)	-
Legal fees		(54,979)	(14,252)
Other expenses	2	(495,414)	(163,011)
Loss before income tax expense		(547,596)	(126,028)
Income tax expense	3	-	-
Loss after income tax expense		(547,596)	(126,028)
Net loss for the year		(547,596)	(126,028)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(547,596)	(126,028)
Basic and diluted loss per share (cents per share)	4	(3.00)	(1.09)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $	2012 $
Assets			
Current Assets			
Cash and cash equivalents	7	216,747	1,912,506
Trade and other receivables	8	77,072	44,434
Other financial assets	9	1,200,000	-
Total Current Assets		1,493,819	1,956,940
Non-Current Assets			
Deferred exploration expenditure	10	-	66,191
Total Non-Current Assets		-	66,191
Total Assets		1,493,819	2,023,131
Liabilities			
Current Liabilities			
Trade and other payables	11	42,989	24,705
Total Current Liabilities		42,989	24,705
Total Liabilities		42,989	24,705
Net Assets		1,450,830	1,998,426
Equity			
Issued capital	6	2,151,361	2,151,361
Option reserve	6	6,500	6,500
Accumulated losses		(707,031)	(159,435)
Total Equity		1,450,830	1,998,426

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital $	Accumulated Losses $	Option Reserves $	Total Equity $
Balance as at 1 July 2011	140,001	(33,407)	6,500	113,094
Net loss for the year	-	(126,028)	-	(126,028)
Total comprehensive (loss) for the year	-	(126,028)	-	(126,028)
Shares issued during the year	2,250,000	-	-	2,250,000
Transaction costs on share issue	(238,640)	-	-	(238,640)
Balance at 30 June 2012	2,151,361	(159,435)	6,500	1,998,426
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 as at 30 June 2013	2,151,361	(707,031)	6,500	1,450,830

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Cash flows from operating activities			
Payments to suppliers and employees		(576,968)	(175,796)
Interest received		67,213	36,735
Net cash used in operating activities	7	(509,755)	(139,061)
Cash flows from investing activities			
Payments for exploration expenditure		(57,254)	(61,800)
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)	-
Net cash used in investing activities		(1,186,004)	(61,800)
Cash flows from financing activities			
Proceeds from issue of shares and options		-	2,250,000
Payment for share issue costs		-	(163,461)
Net cash provided by financing activities		-	2,086,539
Net increase/(decrease) in cash and cash equivalents held		(1,695,759)	1,885,678
Cash and cash equivalents at the beginning of the year		1,912,506	26,828
Cash and cash equivalents at the end of the year	7	216,747	1,912,506

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

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

The financial report is presented in Australian dollars.

The Company is a 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 2013, 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 2013. 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 Exploration and Evaluation Expenditure

The Company had capitalised significant exploration and evaluation expenditure on the basis that the expenditure was expected to be recovered through future successful development (or alternatively sale) of the relevant areas. In view of the speculative nature of the areas and the significant uncertainty arising due to the company's title to the areas having been disputed, the Directors deemed it appropriate to fully impair the expenditure as at 30 June 2013. The impairment in no way limits or affects the Company's legal rights in respect of the areas and the Directors will seek to take such action as they deem appropriate to maximise the financial return to the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue recognition

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

Interest income

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

(f) Cash and cash equivalents

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

(g) Trade and other receivables

Trade receivables are measured on initial recognition at fair value. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.
Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company.
The amount of the impairment loss is recognised in the statement of 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income tax (continued)

- 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.

(j) Impairment of assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Trade and other payables

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

(l) Provisions

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

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.

(m) Share-based payment transactions

(i) Equity settled transactions:

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

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

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of 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.

(n) Issued capital

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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.

(p) 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.

(q) 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 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value through profit or loss or amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are designated as such by the directors. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(s) Joint Arrangements

A joint arrangement is one where two parties have a contractually agreed upon control sharing arrangement, requiring unanimous consent on decisions concerning relevant activities in the joint arrangement. A joint operation is a joint arrangement where a party retains the rights to the assets and liabilities that form part of the arrangement. A joint venture is a joint arrangement where the parties have rights to the net assets in the arrangement.

The Company's assets, liabilities and its share of revenues and expenditures from joint venture operations have been included in the appropriate line items of the financial statements. The Company's interests in joint venture entities are recorded using the equity method of accounting.

Under the equity method of accounting, the initial investment is recorded at cost, and the carrying amount is increased or decreased to recognise the Company's share of profit of loss or comprehensive income of the investee. Distributions received from the investee reduce the carrying value of the investment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 2: OTHER EXPENSES	2013 $	2012 $
Accounting and audit fees	43,467	22,381
Administrative expenses	37,785	13,052
ASX and ASIC fees	13,132	-
Computer and software expenses	3,242	-
Consultancy fees	140,080	-
Directors' fees	117,402	16,667
Employee benefits expense	30,000	56,317
Insurance expenses	13,400	3,354
Rent	71,259	36,000
Share registry fees	7,359	-
Superannuation	2,250	-
Travel and promotional expenses	13,899	10,234
Other expenses	2,139	5,006
	495,414	163,011

NOTE 3: INCOME TAX

		2013 $	2012 $
(a)	**Income tax benefit**	-	-
(b)	**Numerical reconciliation between tax expense and pre-tax net loss**		
	Loss from ordinary activities	(547,596)	(126,028)
	Income tax using the Company's domestic tax rate of 30% (2012: 30%)	(164,279)	(37,808)
	Non-deductible expenses / (deductible tax adjustments)	21	353
	Other timing differences not recognised	-	(17,318)
	Current year losses for which no deferred tax asset was recognised	164,258	54,773
	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 2013 the Company has estimated tax loss assets to carry forward of $229,053 (30 June 2012: $64,795). 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 2013

NOTE 4: LOSS PER SHARE	2013 Cents per share	2012 Cents per share
Basic loss per share	(3.00)	(1.09)
	$	$
Earnings	(547,596)	(126,028)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share:	18,250,000	11,610,656

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	2013 $	2012 $
Issued capital		
Balance at the beginning of the year	2,151,361	140,001
Shares issued	-	2,250,000
Less share issue costs	-	(238,640)
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	7,000,000
Movements during the year:		
Shares issued	-	11,250,000
Balance at the end of the year	18,250,000	18,250,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 are classified as restricted securities by the ASX and are escrowed until 1 February 2014.

	2013 $	2012 $
Option Reserve		
Balance at the beginning of the year	6,500	6,500
Options issued	-	-
Balance at the end of the year	6,500	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:		
Options issued	-	-
Balance at the end of the year	6,500,000	6,500,000

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

6,000,000 options are classified as restricted securities by the ASX and are escrowed until 1 February 2014.

NOTE 7: CASH AND CASH EQUIVALENTS

Cash on hand and at bank	216,747	1,912,506
	216,747	1,912,506

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 2013 and was not party to any borrowing facilities for the same period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 7: CASH AND CASH EQUIVALENTS (continued)	2013 $	2012 $
Reconciliation of loss for the year to net cash flows from operating activities		
Comprehensive (loss) for the year	(547,596)	(126,028)
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	(32,638)	(18,138)
Increase/(decrease) in trade payables and accruals	18,284	5,105
Net cash (used in) operating activities	(509,755)	(139,061)

NOTE 8: TRADE AND OTHER RECEIVABLES

Goods and services tax receivable	49,460	23,351
Accrued interest	2,279	14,500
Prepayments	25,333	6,583
Trade and other receivables balance at 30 June	77,072	44,434

NOTE 9: OTHER FINANCIAL ASSETS

Term deposits with Australian banks	1,200,000	-
	1,200,000	-

Term deposits mature on 14 November 2013.

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	9,991
Expenditure incurred:		
Santy Well	57,254	56,200
Expenditure impaired	(123,445)	
Total Exploration Expenditure balance at 30 June	-	66,191

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

As a result of uncertainty concerning the rights of the Company in respect of the Santy Well joint venture and the underlying tenements, the Board of Directors resolved to fully impair the capitalised exploration costs as discussed in Note 16.

Further information about exploration commitments and contingencies is contained in Note 13.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 11: TRADE AND OTHER PAYABLES (CURRENT)	2013 $	2012 $
Trade payables	34,489	14,705
Accrued expense	8,500	10,000
Balance at 30 June	42,989	24,705

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

NOTE 12: FINANCIAL INSTRUMENTS

Financial risk management objectives and policies:

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

- Liquidity risk
- Capital risk

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

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

(a) 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.

(b) Capital Risk Management

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 13: COMMITMENTS AND CONTIGENCIES

Officers' Remuneration Commitments

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 will provide the head office and principal place of business, company secretarial services, book keeping, accounting services and general administration services to the Company for a monthly fee of $12,000 plus GST. The 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 Spicer, a former director of the Company, was an employee of Alerion. As at the date of this report, the Company is no longer using the services of Alerion.

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

Western Australia

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

The Company has sole funded $100,000 of exploration expenditure and has earned a 50% interest in the joint venture. The expenditure was initially capitalised as an asset of the Company. Further information about exploration expenditure is contained in Note 10.

Under the Joint Venture Agreement governing the Company's interest in the Santy Well project, the Company has the option to jointly contribute to further expenditure on the project. There are no plans agreed at this time between the Company and its joint venture partner to incur any expenditure on the project. The Company is not obliged to meet any expenditure and, in the event that the Company does not meet its share of expenditures, then the Company's interest in the project will be progressively diluted. If the Company's interest falls to less than 10% then the Company will be eliminated from the joint venture and will have no further interest in the project. The joint venture assets consist of the two exploration licences and capitalised expenditure. In view of the significant uncertainty surrounding the joint venture the Directors decided to fully impair the carrying value of the project as at 30 June 2013. Refer to Note 16 of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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
- John Ceccon — Non-Executive Director (appointed 28 November 2012)
- Amos Meltzer — Non-Executive Director (appointed 14 September 2012)
- David Bernard — Non-Executive Director (appointed 8 February 2013)
- Marc Spicer — Non-Executive Chairman (resigned 28 November 2012)
- James Robinson — Managing Director (resigned 14 September 2012)

During the financial year Global Constructive Solutions Pty Ltd trading as Alerion Corporate Services ("Alerion") provided management and administration services to the Company under various agreements. After the resignation of James Robinson as Managing Director, the Company ceased to have any executive directors and thereafter Alerion provided the services normally undertaken by executives of the Company. Details of the fees paid to Alerion are contained in Note 15.

(b) Option holdings of Directors and Executives

30 June 2013	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
John Ceccon	-	-	-	-	-
Amos Meltzer	-	-	-	-	-
David Bernard	-	-	-	-	-
Marc Spicer	-	-	-	-	-
James Robinson	2,500,000	-	-	-	2,500,000
	2,700,000	-	-	-	2,700,000

30 June 2012	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					
James Robinson	2,500,000	-	-	-	2,500,000
Matthew Sheldrick	1,000,000	-	-	-	1,000,000
Simon Coxhell	-	-	-	-	-
Marc Spicer	-	-	-	-	-
David Herszberg	200,000	-	-	-	200,000
	3,700,000	-	-	-	3,700,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 14: DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

(c) Shareholdings of Directors and Executives

30 June 2013	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
John Ceccon	-	-	-	-	-
Amos Meltzer	-	-	-	-	-
David Bernard	2,000,000	-	-	-	2,000,000
Marc Spicer	-	-	-	-	-
James Robinson	2,000,000	-	-	-	2,000,000
	4,750,000	-	-	-	4,750,000
30 June 2012					
Directors					
James Robinson	2,000,000	-	-	-	2,000,000
Matthew Sheldrick	250,000	-	-	-	250,000
Simon Coxhell	-	-	-	-	-
Marc Spicer	-	-	-	-	-
David Herszberg	750,000	-	-	-	750,000
	3,000,000	-	-	-	3,000,000

NOTE 15: RELATED PARTY DISCLOSURES

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

Arrangements between the Company and the Silman family and associates
Entities associated with the Silman family, namely Rokeba Nominees Pty Ltd ("Rokeba") and New Hopetoun Pty Ltd, were substantial shareholders of the Company during the financial year. The Company transacted during the financial year with a number of Silman entities including Global Constructive Solutions Pty Ltd trading as Alerion Corporate Services ("Alerion"), Silkman Consultants Pty Ltd ("Silkman") and Ariel Nominees Pty Ltd ("Ariel Nominees") pursuant to agreements entered into between the Company and those entities. In addition, Mr M. Spicer, was a Director and Company Secretary of the Company and also an employee of Alerion. Having regard to the corporate relationships, the Directors have decided to make specific disclosure of the aggregate value of material transactions with the Silman entities during the year as follows.

Party	Description	Amount $
Alerion	Licence fees, consultancy fees, legal fees, accounting fees and exploration expenditure	257,785
Silkman	Consultancy fees	48,321
Ariel Nominees	Commission on sale of shares in Altius Mining Limited	95,000
		401,106

Amounts are net of GST (if any).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 Spicer, a former director of the Company, was an employee of Alerion. As at the date of this report, the Company is no longer using the services of Alerion.

Shares in Altius Mining Limited (ASX: AYM) ("Altius")

During the year the Company invested $475,000 purchasing 23,750,000 fully paid ordinary shares in Altius at a price of $0.02 per share. Rokeba was a substantial shareholder of both the Company and Altius during the year. In addition, Mr. D. Herszberg, was and is a director of both the Company and Altius. The shares were sold during the year at a price of $0.027 per share or a total sale price of $641,250. The sale resulted in a gain of $71,250 after costs.

Administration Agreement - Cicero

The Company entered into an agreement with Cicero Corporate Services Pty Ltd ("Cicero") defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Company. Cicero was entitled to a monthly fee of $12,000 plus GST. The agreement between the Company and Cicero was terminated on 30 September 2012. Mr Robinson, a former director of the Company, is a director and 33.3% shareholder of Cicero. During the year the sum of $36,000 was paid to Cicero.

NOTE 16: EVENTS AFTER THE BALANCE DATE

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 as a Director of the Company.

On 31 August 2013 John Ceccon resigned as a Director of the Company. He continues in office as Company Secretary.

On 1 September 2013 the Company moved its Registered Office and Principal Place of Business from Prahran in Victoria to Suite 5, Level 1, 310 Whitehorse Road, Balwyn in Victoria.

On 2 September 2013 the Company received a notice from Aphex Minerals Pty Ltd ("Aphex") advising that West Peak Iron Limited ("West Peak") had purported to assign the tenements for the Santy Well project to Aphex.

On 23 September 2013 the Company advised Aphex that the Company had become aware of the purported sale of the Santy Well project to Aphex and advised that the Company believes it has earned a 50% interest in the same project pursuant to the agreement with West Peak. Aphex was also advised that the Company has the first right of refusal over the licences in question and the Company has not been formally advised to date of this sale by West Peak in accordance with the agreement.

The Company's Caveat over the two Exploration Licences is still in force (registered) at the date of this report and the Company awaits a response from Aphex so it can determine its position and decide on a course of action.

On 30 September 2013 the Directors of the Company resolved, due to the significant uncertainty relating to the 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.

Following sustained non-delivery of services by Alerion, the Company terminated the Replacement Services Agreement and the Licence Agreement. The Company has paid all fees claimed by Alerion for the period up to and including 31 July 2013. Alerion has invoiced the Company for fees totalling $15,750 plus GST for August 2013 but the Directors to not accept that the Company is liable to pay those amounts, or any other amount, to Alerion. During the year it became clear to the Directors that Alerion was not responding to requests for information and services under the agreement and in July 2013 the Directors resolved to make no further payments to Alerion. Prior to July 2013 Alerion, under the administration agreement, had the authority to make all payments, including payments to itself. On the appointment of the new directors in July 2013 the control of the payment and banking functions were brought back under the control of the Board. As the contracted services are no longer being provided to the company, the Directors commenced the necessary steps to terminate the agreements in the September 2013 quarter.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 17: AUDITOR'S REMUNERATION

	2013 $	2012 $
The auditor of the Company is William Buck Audit (Vic) Pty Ltd ("William Buck"). The previous auditor was HLB Mann Judd.		
Amounts received or due and receivable by HLB Mann Judd:		
Audit or review of the financial statements	-	11,000
Amounts received or due and receivable by William Buck:		
Audit or review of the financial statements	11,000	-
	11,000	11,000

NOTE 18: AMOUNTS OWING TO DIRECTORS AND OFFICERS

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

DIRECTORS' DECLARATION

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

   a. the financial statements and notes of the company are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Company's financial position as at 30 June 2013 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 2013.

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

Mr David Herszberg
Chairman
Melbourne, Victoria
Dated this 30th day of September 2013

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"). The financial report comprises the statement of financial position as at 30 June 2013, the statement 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.

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

Auditor's Opinion

In our opinion:

a) the financial report of the company 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 2013 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 the directors' report for the year ended 30 June 2013. 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 2013 complies with section 300A of the Corporations Act 2001.

William Buck.

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

J. C. Luckins
Director

Dated this 30th day of September, 2013

ADDITIONAL SHAREHOLDER INFORMATION

A. Corporate Governance

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

B. Shareholding

1. Substantial Shareholders

There were six substantial shareholders as at 20 September 2013:

i. Vermar Pty Ltd <Cap A/C> holds 3,520,550 ordinary shares and has a voting power of 19.29%.
ii. David Bernard holds 2,000,000 ordinary shares and has a voting power of 10.96%.
iii. Sabreline Pty Ltd <JPR Investment A/C> holds 1,799,999 ordinary shares and has a voting power of 9.86%.
iv. Jascot Rise Pty Ltd holds 1,675,000 ordinary shares and has a voting power of 9.18%.
v. New Hopetoun Pty Ltd holds 1,575,000 ordinary shares and has a voting power of 8.63%.
vi. John Corran Crawford holds 1,100,000 ordinary shares and has a voting power of 6.03%.

2. Number of holders in each class of equity securities and the voting rights attached (as at 20 September 2013)

Ordinary Shares

There are 167 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

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

Options

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

3. Distribution schedule of the number of holders in each class of equity security as at 20 September 2013.

(a) Fully Paid Ordinary Shares

Spread of holdings	Holders	Securities	% of Issued Shares
1 - 1,000	5	348	0.00
1,001 - 5,000	4	14,999	0.08
5,001 - 10,000	117	1,169,804	6.41
10,001 - 100,000	23	1,332,500	7.30
100,001 +	18	15,732,349	86.20
Total on register	167	18,250,000	100.00

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

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

ADDITIONAL SHAREHOLDER INFORMATION (continued)

4. Marketable Parcel

There are 9 shareholders with less than a marketable parcel of $500.00 based on a share price of $0.063.

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

The names of the twenty largest holders of each class of quoted security, the number of equity security each holds and the percentage of capital each holds (as at 20 September 2013) 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	19.29
2	DAVID BERNARD		2,000,000	10.96
3	SABRELINE PTY LTD	<JPR INVESTMENT A/C>	1,799,999	9.86
4	JASCOT RISE PTY LTD		1,675,000	9.18
5	NEW HOPETOUN PTY LTD		1,575,000	8.63
6	JOHN CORRAN CRAWFORD		1,100,000	6.03
7	ABN AMRO CLEARING SYDNEY	<CUSTOMER A/C>	840,001	4.60
8	YAD INVESTMENTS PTY LTD		500,000	2.74
9	ROBERT NG & SHAN	<NG FAMILY SUPER FUND A/C>	442,300	2.42
10	RICHARD STUART DONGRAY & MRS JOAN DONGRAY	<SUPER FUND A/C>	375,000	2.05
11	LETTERED MANAGEMENT PTY LTD	<BALMORAL FAMILY A/C>	375,000	2.05
12	YAD INVESTMENTS PTY LTD		250,000	1.37
13	YOSSI KLEIN & GILA KLEIN	<KLEIN SUPER FUND>	250,000	1.37
14	WATEROX PTY LTD	<TIEN CHAI A/C>	250,000	1.37
15	ARIEL NOMINEES PTY LTD		227,000	1.24
16	MATTHEW SHELDRICK	<MATTHEW SHELDRICK FAMILY A/C>	225,000	1.23
17	SIMJEAN CORPORATION PTY LTD	<PODOLSKY FAMILY SUPER A/C>	202,499	1.11
18	PAUL SIMON DONGRAY	<DONGRAY FAMILY NO. 2 A/C>	125,000	0.68
19	BENJAMIN & SARAH KOPPEL	<KOPPEL SUPER FUND A/C.	100,000	0.55
20	ITZHAK BENDIKT	<BENDIKT IMP P/FUN>	100,000	0.55
		Top 20 total:	15,932,349	87.27
		Balance total:	2,317,651	12.73

ADDITIONAL SHAREHOLDER INFORMATION (continued)

Unlisted options exercisable at $0.20 on or before 30 June 2014 Top 20 holders and percentage held

	Holder name	Designation	Securities	% of issued options
1	SABRELINE PTY LTD	<JPR INVESTMENT A/C>	2,500,000	38.46
2	ROKEBA NOMINEES PTY LTD	<SILMAN PROPERTY A/C>	1,500,000	23.08
3	BOBARINO PTY LTD		1,000,000	15.38
4	MATTHEW DONALD WALKER		500,000	7.69
5	SILKMAN CONSULTANTS PTY LTD		500,000	7.69
6	CHARLES & TIVKA BROH	<ALEXADORA SUPER FUND A/C>	250,000	3.85
7	YAD INVESTMENTS PTY LTD		200,000	3.08
8	SIMON PODOLSKY & JEANETTE CLARE PODOLSKY	<PODOLSKY FAMILY SUPER FUND A/C>	50,000	0.77
		Top 8 total:	6,500,000	100.00
		Balance total:	-	-

ADDITIONAL SHAREHOLDER INFORMATION (Continued)

1. **Company Secretary**

   The name of the Company secretary is John Ceccon.

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

   Suite 5, Level 1
   310 Whitehorse Road
   Balwyn VIC 3103
   Telephone: (03) 9830 7676
   Fax: (03) 9836 7056

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 3,599,999 shares escrowed until 1 February 2014.

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

6. **Review of Operations**

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

7. **Consistency with business objectives - ASX Listing Rule 4.10.19**

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