

Cohiba Minerals Limited

ABN 72 149 026 308

Annual Report - 30 June 2021

Cohiba Minerals Limited
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30 June 2021



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Directors	Mr Mordechai Benedikt (Executive Chairman) Mr Nachum Labkowski (Non-Executive Director) Mr Andrew Graham (Chief Executive Officer and Executive Director)
Company secretaries	Mr Justin Mouchacca
Registered office	Level 21, 459 Collins Street Melbourne, VIC 3000 Ph: (03) 8630 3321
Principal place of business	Level 21, 459 Collins Street Melbourne, VIC 3000
Share register	Automic Registry Services Level 5 126 Philip Street Sydney NSW 2010 Ph: (02) 9698 5414
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
Stock exchange listing	Cohiba Minerals Limited securities are listed on the Australian Securities Exchange (ASX codes: CHK and CHKOA)
Website	www.cohibaminerals.com.au

Highlights:

Horse Well

- Four drill holes (HWDD01 – HWDD04) were completed at Horse well for a total of 4,840.6m;
- IOCG experts continued with a major review of the Horse Well drill core comprising detailed mineralogical, petrological and geochemical studies to aid in future drill hole selection;
- A detailed review of the gravity survey data was completed to further aid in target selection at Horse Well;
- A drill rig was secured for an additional drill hole at Horse Well alongside HWDD04 (IOCG target);
- An Environmental Compliance Report (ECR) was submitted for the completed drilling program at Horse Well;
- An Exploration Program for Environment Protection and Rehabilitation (EPEPR) was completed for 12 new drill holes at Horse Well for up to 16,800m of drilling;

Pernatty C

- A drill rig was secured for an additional 3 drill holes at Pernatty C ('Zambian Copperbelt' style targets);

Financial

- The Company completed a heavily oversubscribed Share Purchase Plan with \$9.38 million received in applications and acceptance of \$5.79 million following scale back;
- The Company was awarded a \$298,500 grant via the Accelerated Discovery Initiative (ADI) for drilling at the Pernatty C Project;

Other

- An Administration and Access Agreement was signed between Cohiba Minerals and Saltbush Ag Pty Ltd in relation to ongoing access to the Arcoona Station;
-
- The Mining Plan and Mine Closure Plan for the Pyramid Lake Gypsum Project was completed;
- The Company secured 80% of the Wee MacGregor tenements in Queensland;
- The Company secured 80% of the Olympic Domain tenements in South Australia;
- All tenements within the Horse Well, Pernatty C (Mt Gunson) and Lake Torrens areas were maintained in good standing;
- All tenements in Queensland (Wee MacGregor, Mt Gordon, Success and Mt Cobalt) were maintained in good standing; and,
- The Pyramid Lake tenement in Western Australia was renewed and maintained in good standing.

South Australian (Olympic Domain) Tenements

Cohiba Minerals' intent is to discover IOCG deposits through the systematic exploration of the Olympic Domain tenements and through the acquisition of additional IOCG target areas within the Gawler Craton (SA). The Gawler Craton remains the premier district to search for IOCG deposits globally and exploration activities to date have confirmed the Company's landholding in the Gawler Craton contain substantial exploration potential.

“Horse Well” Area

The Horse Well area is a key strategic component within the Olympic Domain tenement package given its close proximity to BHP’s Oak Dam West discovery where drilling has confirmed the presence of significant IOCG mineralisation. Drilling at the Horse Well Project has shown the presence of persistent, low-level copper mineralisation with some high-grade copper-gold intersections, hosted by a typical IOCG package of rocks.

The key zones of interest at Horse Well are those adjacent to drill holes HWDD_03 and HWDD_04 in particular where persistent low-level copper mineralisation was encountered within a package of rocks consistent with an IOCG environment. In HWDD_04 there were also discrete, high-grade copper-gold intersections (up to 12.15% Cu and 2.26 g/t Au). The results of the Company’s recent exploration activities at Horse Well confirmed the potential for IOCG discoveries there and Cohiba is planning an extensive program of exploration activity, including up to 19,000m of drilling, to further test for this potential. This large exploration program commenced shortly after year-end and is detailed later in this report.

At Horse Well four holes were drilled during FY20/21 for a total of approximately 4,800m and a detailed analysis follows.

Drilling of hole HWDD02 commenced at Horse Well on August 25, 2020 (Figure 1). The drill hole comprised reverse circulation (RC) drilling to 185.4m, diamond drilling (HQ size) to 699.7m and diamond drilling (NQ size) to the end of the hole at 1013.3m on September 10, 2020.



Figure 1: DRC Drilling – drill rig and support equipment set up on HWDD_02 at Horse Well prospect.

HWDD02 was completed at 1,013m and the drill core was sent to Adelaide for further technical review. HWDD02 encountered black shales from 684 – 890m which showed some evidence of sulphide mineralisation (Figure 2). The remainder of the hole was drilled in porphyritic, coarse-grained granite with variable degrees of alteration including chlorite-epidote, waxy green sericite, hematite-k-feldspar and minor quartz-hornblende.

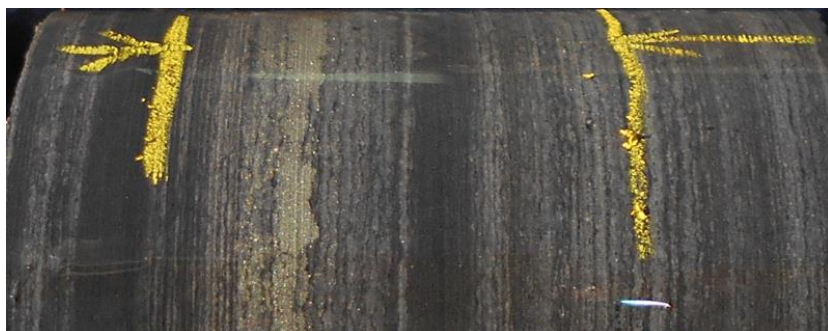


Figure 2: Black shale at 873m showing evidence of sulphide mineralisation.

Drilling commenced on the second hole (HWDD03) on September 12, 2020 and was completed on October 6, 2020. The drillhole comprised reverse circulation (RC) drilling to 377.5m, diamond drilling (HQ size) to 598.6m and diamond drilling (NQ size) to the end of hole (EOH) at 1,179.7m.

HWDD03 comprised a typical “cover sequence” comprising muds, silts, medium to coarse sands and pebble layers to 989.6m where it encountered the basement material (contact) which was a hematite-rich, altered granitoid. There was evidence of minor mineralisation as shown in Figure 3 and the strongly altered granites and pegmatites persisted to the EOH at 1,179.7m. The decision to end the hole was based on only minor evidence of mineralisation and the emergence of significant biotite, which is known to have a poor association with IOCG mineralisation.

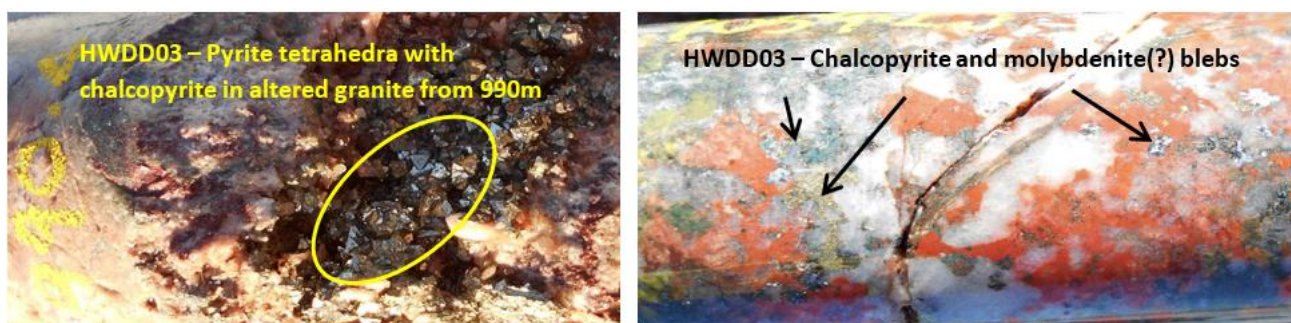


Figure 3: Minor mineralisation in HWDD03 with the left photograph at the contact with the basement material and the right photograph showing sulphides in the altered, hematitic granite.

Drilling commenced on the third hole (HWDD01) on October 23, 2020 (following a significant rain delay which also cut off access to the HWDD04 site temporarily) and was completed on November 7, 2020. The drillhole comprised diamond drilling (HQ size) to 677.4m and diamond drilling (NQ size) to the end of hole (EOH) at 1,182.9m.

HWDD01 comprised a typical “cover sequence” comprising muds, silts, medium to coarse sands and pebble layers with significant amounts of hematite to around 1,020m when it encountered a granite exhibiting strong hematite and feldspar alteration. The sediment-basement contact was not distinct with interspersed sediments and granite in the core till 1041.8m after which granite occurred till the EOH at 1,182.9m. Only minor sulphides were observed in HWDD01 and the decision to terminate the hole was based on lack of evidence of mineralisation despite the altered granites being very typical of an IOCG environment. No samples from HWDD01 were submitted for analysis.

Drilling commenced on the fourth hole (HWDD04) on 9 November 2020 and was completed on November 30, 2020. The drillhole comprised reverse circulation (RC) drilling to 300.0m, diamond drilling (HQ size) to 704.6m and diamond drilling (NQ size) to the end of hole at 1,464.7m.

HWDD04 comprised a typical “cover sequence” comprising muds, silts, medium to coarse sands and conglomeratic layers to 971.8m where it encountered a mafic dyke with pervasive chlorite alteration, hematite veins and minor sulphides. This passed sharply into a weakly foliated granite at 974.9m which exhibited strong hematite and chlorite alteration with minor chalcopyrite, bornite and pyrite stringers (Figure 4). At 1,033.5m there was a band of pervasive chalcopyrite and pyrite mineralisation within the granite (Figure 3.). The hematite-rich, altered granite exhibited stringers and disseminations of chalcopyrite + pyrite +/- bornite to varying degrees to 1,396.2m where it encountered a fine to medium grained basalt with weak hematite alteration, carbonate veining and minor sulphides. The basalt persisted to 1,464.7m when the decision was made to end the hole.



Figure 4: Pervasive chalcopyrite + pyrite mineralisation in altered, hematite-rich granite (left hand photograph) and bornite + chalcopyrite stringers in hematite-rich, altered granite (right hand photograph).

Horse Well Drillhole Assay Results

Analytical work was undertaken by ALS Laboratories on drill core from HWDD03 and HWDD04.

HWDD03, which was the eastern most drill hole in the current program of work showed visual evidence of minor sulphide occurrences within altered hematitic granite. HWDD03 was analysed from 982 – 1,143m in variable length intervals (from 0.15 – 2.0 m) based on visual determination of zones of interest. Despite the visual determination of these zones of interest, HWDD03 did not return appreciable copper results with one minor intersection as summarised below:

1,062.1 – 1,062.4m 0.3m @ 0.31% Cu

HWDD04 was analysed from 950 – 1,432.6m (EOH) in 1m intervals except where mineralisation was visually apparent, and the interval length was adjusted accordingly. The results from HWDD04 showed persistent low-level copper throughout with some very good intersections of copper, gold and silver mineralisation as summarised below:

950 – 978m	28m @ 0.13% Cu, 0.26 g/t Au & 2.18 g/t Ag including 0.9m @ 1.85% Cu, 0.15 g/t Au & 9.2 g/t Ag from 974m
1,033 – 1,034.3m	0.8m @ 12.15% Cu, 2.62 g/t Au, 42.5 g/t Ag, 293ppm Bi & 567ppm Sb
1,072 – 1079m	9m @ 0.11% Cu
1,089.8 – 1,090.2m	0.4m @ 0.97% Cu, 0.28 g/t Au & 3.2 g/t Ag
1,113 – 1,117m	4m @ 0.11% Cu
1,225.5 – 1226m	0.5m @ 2.58% Cu, 0.15 g/t Au & 1.94 g/t Ag
1,232.8 – 1,233.3m	0.8m @ 1.52% Cu & 1.24 g/t Ag
1,258 – 1,269m	11m @ 0.20% Cu & 2.01 g/t Ag including 1m @ 0.58% Cu & 9.31 g/t Ag from 1,268m
1,306 – 1,320m	14m @ 0.14% Cu & 2.18 g/t Ag including 1m @ 0.50% Cu & 10.6 g/t Ag from 1,311m
1,326 – 1,326.3m	0.3m @ 1.33% Cu
1,414 – 1,423.6m	9.6m @ 0.11% Cu

Cohiba engaged the services of subject matter experts (SME) in the area of IOCG deposits to undertake extensive petrological and geochemical assessments of holes HWDD03 and HWDD04 to aid in the development of the next program of work.

A detailed review of the historical gravity survey data was undertaken utilising a refined interpretation methodology to also aid in the location of drill hole collars for subsequent drilling at Horse Well.

Following completion of the drilling program the drill sites and associated tracks were fully rehabilitated and an extensive (63 page) Exploration Compliance Report (ECR) was submitted to the Department of Energy and Mining (DEM) SA as fulfilment of the closure procedures.

During the year the Company also entered into a new Administration and Access Agreement with Saltbush Ag Pty Ltd in relation to ongoing access to the Arcoona Station for future programs of work.

Further Drilling at Horse Well

The Company completed and submitted a new Exploration Program for Environment Protection and Rehabilitation (EPEPR) for a further 12 drill holes at Horse Well (Figure 5).

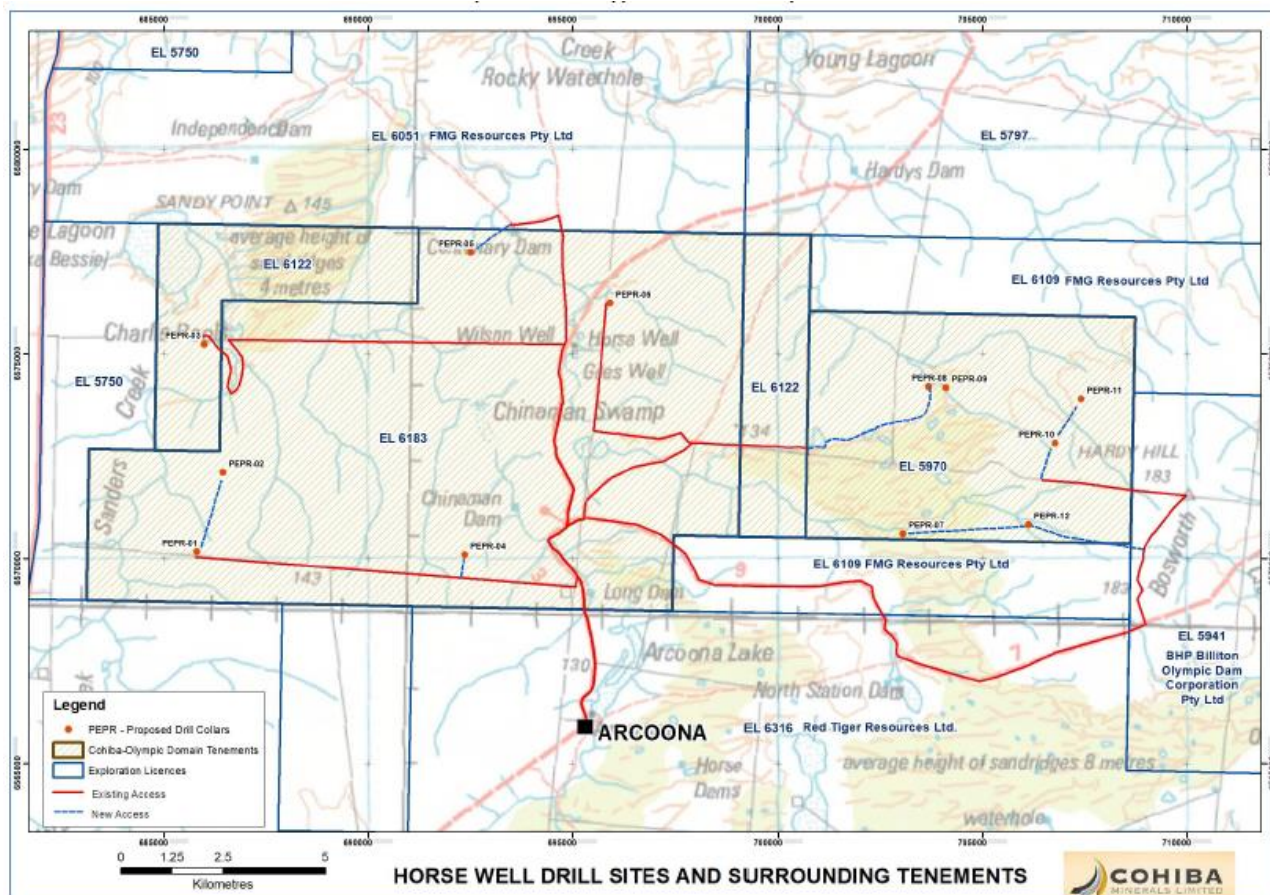


Figure 5: Location of 12 proposed drill holes at Horse Well.

Pernatty “C” Area

The Company submitted 3 Expression of Interest (EOI) and 3 Request for Proposal (RFP) documents to the Department of Energy and Mining (DEM SA) as part of its Accelerated Discovery Initiative (ADI) and was successful in securing \$298,500 for additional drilling at the Pernatty C Project to investigate Zambian Copperbelt (ZCB) style mineralisation.

Two drill holes have been scheduled for drilling at Pernatty C and will commence during Q3-Q4 of the current financial year. The drill holes will target both Zambian Copperbelt style mineralisation as well as possible IOCG targets at depth (Figure 6).

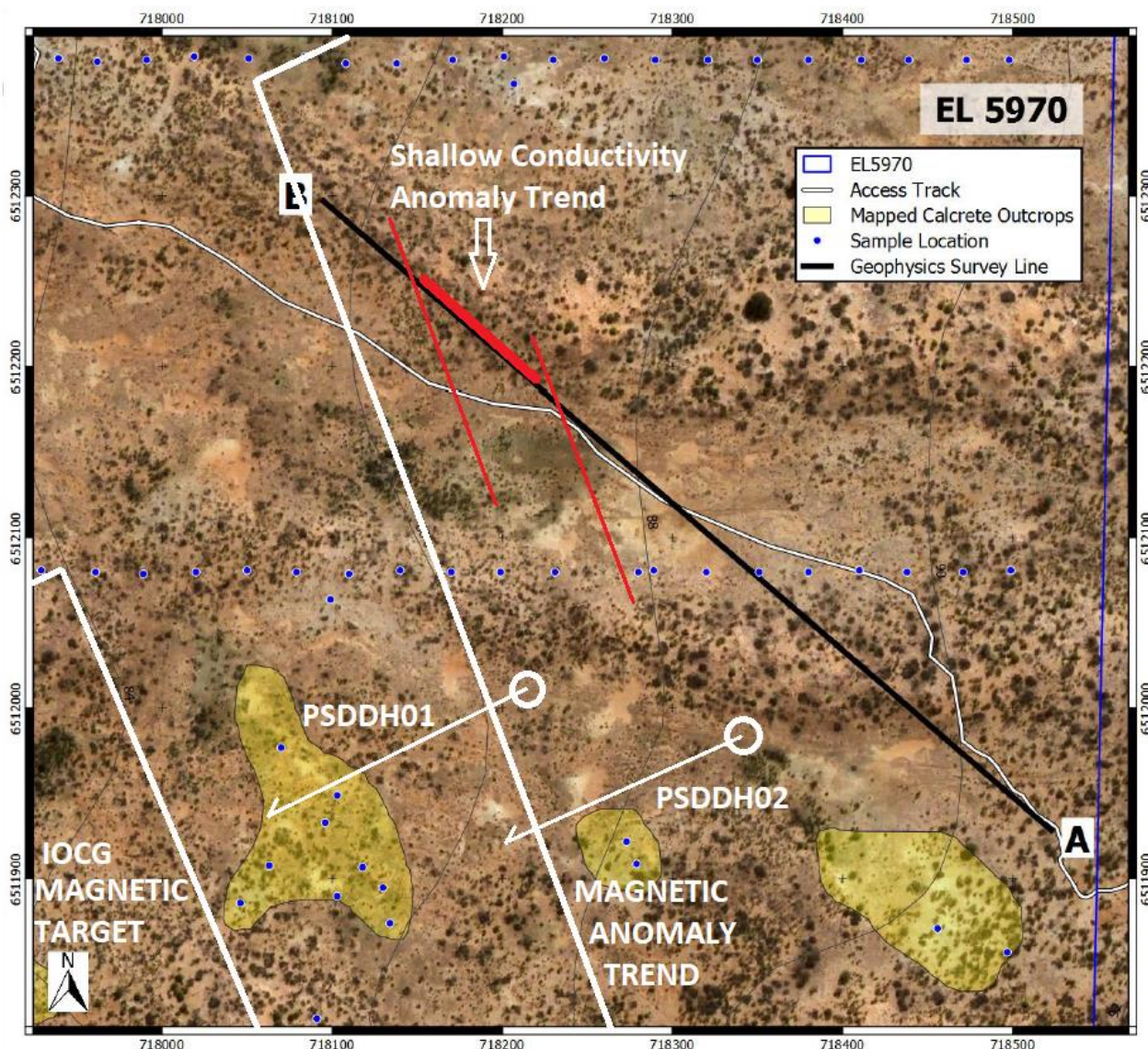


Figure 6: Proposed drill hole locations at Pernatty C.

Olympic Domain Farm-In Update

The Company successfully executed a Deed of Settlement (Deed) with Olympic Domain Pty Ltd in relation to the dispute regarding the Company's 80% ownership in the Olympic Domain tenements.

The Company's 80% interest in the Olympic Domain tenements was formally registered with the Department of Energy and Mining, South Australia (DEM SA).

Western Australia Tenements

Pyramid Lake Update (E74/594)

Cohiba Minerals Limited holds (100%) exploration licence E74/594, which covers all of Pyramid Lake in south-western Western Australia, for a total of 11,266 hectares or 112.66 km². Pyramid Lake itself is a salt-lake covering 6,632 hectares located 115km northwest of the town of Esperance on the northern limit of the agricultural area (Figure 7).

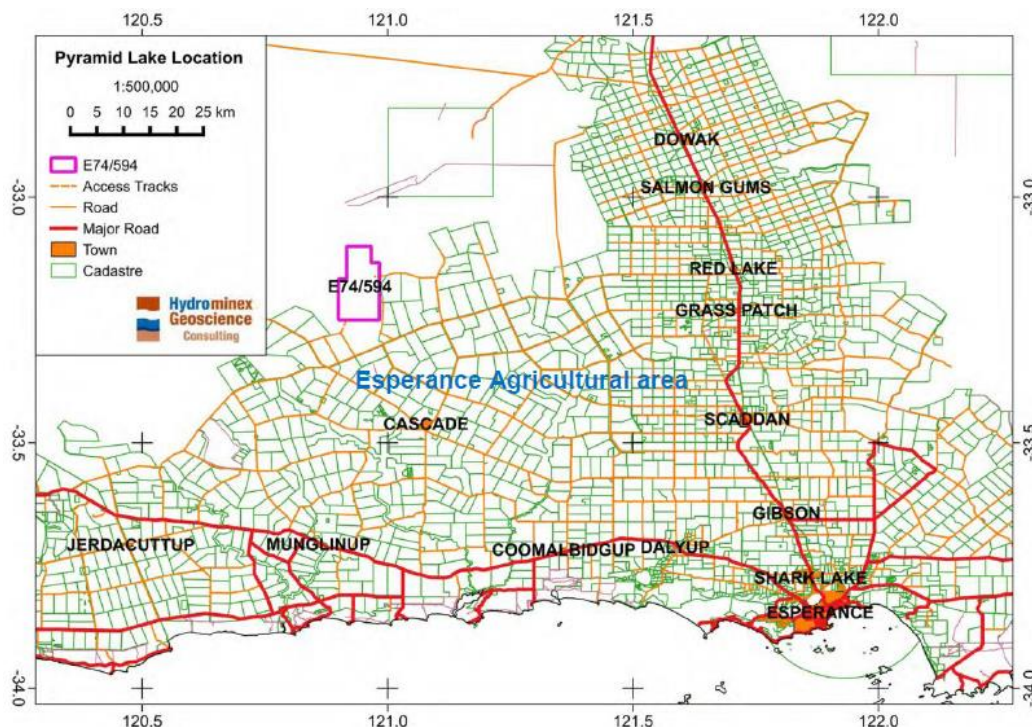


Figure 7: Location of Cohiba’s Pyramid Lake Exploration Licence (from Hydrominex 2018).

The E74/594 property (Figure 4) is located 115 km northwest of Esperance (150 km by road) and is accessed from the highway linking Ravensthorpe and Esperance.

The Mining Operations Plan and the Mine Closure Plan was completed by Groundwork Plus.

All activities on site were communicated to (via an Activity Report) and approved by the Esperance Tjaltjraak Native Title Aboriginal Corporation (PBC).

Queensland Tenements

Wee MacGregor Project

The Wee MacGregor group comprises three granted mining licences, ML 2504, ML 2773, and ML 90098. These licences are located approximately 60km southeast of Mt. Isa with access via the sealed Barkly Highway and the unsealed Fountain Springs Road.

The Company maintained the tenements in good standing and met the expenditure requirements to secure an 80% stake in the tenements (20% being held by Cyclone Metals Limited).

Queensland Exploration Licences

The Company holds various exploration licences through its wholly owned subsidiary Cobalt X Pty Ltd. As at the date of this report the Company is the holder of the following mineral exploration licences pursuant to the Mineral Resources Act 1989 (QLD):

- exploration licence EPM26377 (**Mt Gordon Mine Area 1**),
- exploration licence EPM26376 (**Mt Gordon Mine Area 2**),
- exploration licence EPM26380 (**Success Mine Area 1**); and,
- exploration licence EPM26379 (**Mt Cobalt Mine Area**).

Cobalt X also held various contractual rights with third parties to facilitate the acquisition by it of additional mining and exploration projects and related plant and equipment (**Project Rights**), including rights to negotiate for the acquisition of a vat leach processing plant in the Mt. Isa region (referred to as the Lady Jenny processing plant). The nature and status of these Project Rights has been described in detail in the Company’s Notice of General Meeting (Notice) dated 26 May 2017.

All of the Queensland Exploration Licences were maintained in good standing.

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Cohiba Minerals Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

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

Mr Mordechai Benedikt (Executive Chairman)
Mr Andrew Graham (Executive Director)
Mr Nachum Labkowski (Non-Executive Director)

Principal activities

The principal activity of the consolidated entity during the year was the exploration for natural resources, including metals, precious metals, lithium, cobalt and minerals. There have been no significant changes in the nature of those activities during the period.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,393,784 (30 June 2020: \$1,288,926).

Financial performance

During the year, operating expenses increased by \$114,306 to \$1,425,581 (30 June 2020: \$1,311,275). Other operating expenses remained consistent during the year.

- No write down of investments recognised during the year (2020: \$369,962)
- Non-cash share based payment expense during the year of \$505,675 (2020: \$190,750)

Financial position

Net assets of the consolidated entity increased significantly from \$3,956,176 to \$11,171,905, attributable to the capital raisings completed by the Company during the year. This in turn increased the Company's cash reserves from \$904,285 at 30 June 2020 to \$6,499,541 as at 30 June 2021.

Cash flow

The Company successfully raised gross proceeds of \$7,858,828 during the year from capital raisings and \$289,917 from option conversions to accelerate exploration activities.

Refer to the detailed review of operations preceding this report for further information on the Consolidated entity's activities.

Significant changes in the state of affairs

The following significant changes in the state of affairs of the consolidated entity took place during the financial year:

- On 27 August 2020 the Company announced that it had received binding commitments for a capital raising (Placement) of \$2,290,000 from professional and sophisticated investors. An additional \$290,000 was committed from Directors of the Company. The Placement was completed with 143,125,000 fully paid ordinary shares (Shares) issued, with an issue price of \$0.016 (1.6 cents) per share, and 71,562,500 CHKOA free attaching options (Options) issued.
- On 30 November 2020 the Company announced that it would offer eligible shareholders the opportunity to apply for up to \$30,000 worth of Shares with an issue price of \$0.017 (1.7 cents) per Share through a Share Purchase Plan (SPP) Offer and seeking to raise up to \$2,000,000. On 17 December 2020 the Company announced that it had closed the SPP Offer early and total applications received amounted to \$9.68 million. The Board used its discretion to scale back applications to a total of \$5,279,000 and a 310,519,276 Shares were issued on 18 December 2020.
- During the year, the Company issued 28,991,716 Shares for the conversion of 28,991,716 CHKOA options with an exercise price of \$0.01 (1 cent) per option.
- On 1 December 2020 and 4 December 2020, the Company issued a total of 18,125,000 Shares and 9,062,500 Options to Directors of the Company following receipt of shareholder approval for them to participate in the August 2020 capital raising.
- On 18 December 2020 the Company issued 54,000,000 options exercisable at \$0.02 (2 cents) per option, with an expiry date of 18 December 2023, to Directors of the Company following receipt of shareholder approval. A total of 24,000,000 options vested immediately and 30,000,000 options vest subject to certain vesting conditions being achieved. The options were issued as incentive options and as part of remuneration of Directors.
- On 25 March 2021 the Company announced that it had settled a dispute with Olympic Domain Pty Ltd in relation to the Company's 80% ownership in the Olympic Domain tenements. Olympic Domain will be required to meet 20% of the eligible, ongoing expenditure on the Olympic Domain tenements, back-dated to 15 January 2021 and the Company would receive its 80% interest.

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

Matters subsequent to the end of the financial year

- On 9 August 2021, the Company announced that it had entered into a Farm-In Agreement with Tigers Dominion Group Pty Ltd to earn up to a 51% interest in a highly strategic IOCG target are in the Gawler Craton. The Company has entered into a minimum commitment to spend \$600,000 by drilling a 600m drill hold on the eastern part of EL6324, followed by a 400m drill hole on either the eastern or western part of EL6324.
- On 27 August 2021, the Company issued 14,000,000 unlisted options to consultants with each option being exercisable at \$0.02 (2 cents) on or before 18 December 2023.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

During the previous financial years, the Company has entered into agreements to acquire new projects and project rights and the success of the Company will depend on exploration activities proposed to be carried out on the current projects areas of interest which have been acquired or granted to the Consolidated entity.

The Company continues to review potential new opportunities, if the Directors are successful in acquiring new projects or entering into a joint venture, it is expected that part of the funding 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.

Environmental regulation

The consolidated entity holds participating interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' report.

Information on Directors

Name: Mr Mordechai Benedikt
Title: Executive Chairman
Experience and expertise: 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.
Other current directorships: Abilene Oil and Gas Limited (ASX: ABL)
Former directorships (last 3 years): None
Interests in shares: 105,463,737 fully paid ordinary shares
Interests in options: 27,859,527 listed CHKOA options
22,000,000 unlisted options

Name: Mr Nachum Labkowski
Title: Non-Executive Director
Experience and expertise: Mr Labkowski is the CEO and principal investor in Halevi Enterprises, a private equity firm. Halevi Enterprises with, Mr Labkowski's leadership, currently holds equity in over 30 private companies, which invest in real estate worldwide. Mr Labkowski's unique approach to investing has provided significant returns to those companies he has invested in to date.
Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 13,181,750 fully paid ordinary shares
Interests in options: 3,460,375 listed CHKOA options
19,000,000 unquoted options

Name: Mr Andrew Graham
Title: Chief Executive Officer and Executive Director (appointed 17 June 2020)
Experience and expertise: Mr Graham has 30 years of technical, operational and managerial experience in the resources sector with both private and public companies in Australia and overseas. He has founded multiple companies in the mining, mineral processing, consulting and environmental sectors and has a passion for business building through strong leadership, technical excellence and strategic focus. Mr Graham has built a global network of investors, innovators and technical and commercial specialists. He has been involved in raising hundreds of millions of investment capital, building large teams of specialists and developing numerous projects from greenfields exploration to operating mines. He has qualifications in applied geology, economic geology, management, training and quarry management and is a member of the Australasian Institute of Mining and Metallurgy and the Institute of Quarrying.
Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: Nil
Interests in options: 3,000,000 listed CHKOA options
13,000,000 unquoted options

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mr Justin Mouchacca, CA FGIA

Mr Mouchacca is a Chartered Accountant and Fellow of the Governance Institute of Australia with over 14 years' experience in public company responsibilities including statutory, corporate governance and financial reporting requirements. Since July 2019, Mr Mouchacca has been principal of JM Corporate Services and has been appointed Company Secretary and Financial Officer for a number of entities listed on the ASX and unlisted public companies.

Mr Romy Hershman

Mr Hershman was appointed on 22 May 2019 and resigned on 29 January 2021. Mr Hershman has completed a Bachelor of Law (Hons) and Arts at Monash University, and also completed a certificate in Governance Practice (Company Secretary) at the Governance Institute of Australia.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Mordechai Benedikt	4	4
Nachum Labkowski	4	4
Andrew Graham	4	4

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having financial performance as a core component of plan design
- focusing on sustained growth in shareholder wealth and growth in share price and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

Non-executive Directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board as a whole. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 16 May 2012, where the shareholders approved an aggregate remuneration of \$250,000.

Executive remuneration

The company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

The executive remuneration and reward framework generally has two components:

- base pay and non-monetary benefits
- share-based payments

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, and non-monetary benefits, are reviewed annually by the Board, predominantly non-executive Director, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

The long-term incentives ('LTI') include share-based payments. During the 2021 financial year, options were issued to directors which formed part of their remuneration.

The Company did not use any external remuneration consultants during the financial year.

Consolidated entity performance and link to remuneration

The remuneration of directors and executives are not linked to the performance, share price or earnings of the consolidated entity.

Voting and comments made at the company's 2020 Annual General Meeting ('AGM')

At the 2020 AGM, 99.31% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following Directors of Cohiba Minerals Limited:

- Mr Mordechai Benedikt (Executive Chairman)
- Mr Nachum Labkowski (Non-Executive Director)
- Mr Andrew Graham (Executive Director)
- Mr Avi Kimelman (Non-Executive Chairman) - resigned 17 June 2020
- Dr Robert Beeson (Non-Executive Director) - resigned 28 February 2020

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
2021	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Nachum Labkowski	87,999	-	-	-	-	185,508	273,507
<i>Executive Directors:</i>							
Mordechai Benedikt	180,000	-	-	-	-	236,358	416,358
Andrew Graham	123,750	-	-	-	-	83,808	207,558
	<u>391,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>505,674</u>	<u>897,423</u>

No termination benefits were paid to the resigning directors.

During the financial year a total of \$118,800 of Mr Graham's Executive Director's fees have been capitalised to exploration expenditure.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
2020	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Avi Kimelman*	60,000	-	-	5,700	-	81,750	147,450
Nachum Labkowski	68,000	-	-	-	-	-	68,000
Robert Beeson**	29,224	-	-	2,776	-	-	32,000
<i>Executive Directors:</i>							
Mordechai Benedikt	164,000	-	-	-	-	49,050	213,050
Andrew Graham	36,000	-	-	-	-	16,350	52,350
	<u>357,224</u>	<u>-</u>	<u>-</u>	<u>8,476</u>	<u>-</u>	<u>147,150</u>	<u>512,850</u>

* Resigned 17 June 2020.

** Resigned 28 February 2020.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2021	2020	2021	2020	2021	2020
<i>Directors:</i>						
Mordechai Benedikt	43%	77%	-	-	57%	23%
Andrew Graham	60%	65%	-	-	40%	35%
Nachum Labkowski	32%	100%	-	-	68%	-
Robert Beeson	-	100%	-	-	-	-
Avi Kimelman	-	45%	-	-	-	55%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Mordechai Benedikt
Title: Executive Director
Agreement commenced: 20 May 2016
Term of agreement: This contract will continue from commencement date until terminated.
Details: Mr Benedikt was remunerated at \$190,000 per annum.
The contract may be terminated at any time with 3 months' written notice being provided by either the Company or Mr Benedikt. Upon expiration of the term the contract may be renewed by mutual agreement.

Name: Andrew Graham
Title: Executive Director
Agreement commenced: 24 February 2020
Term of agreement: This contract will continue from commencement date until terminated.
Details: Mr Graham will be remunerated at \$10,000 per month.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of Shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Number of options	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
18/12/2020	24,000,000	18/12/2020	18/12/2023	\$0.02	\$0.017
18/12/2020	30,000,000	Subject to vesting conditions	18/12/2023	\$0.02	\$0.017

Options granted carry no dividend or voting rights.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2021 are summarised below:

	2021 \$	2020 \$	2019 \$	2018 \$	2017 \$
Revenue	31,797	22,349	22,243	14,323	5,374
Net profit/(loss) before income tax	(1,209,343)	(1,288,926)	(1,096,712)	(1,474,836)	(924,722)
Net profit/(loss) after income tax	(1,209,343)	(1,288,926)	(1,096,712)	(1,474,836)	(924,722)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021	2020	2019	2018	2017
Share price at start of financial year (\$)	0.008	0.011	0.007	0.013	0.015
Share price at end of financial year (\$)	0.016	0.008	0.011	0.007	0.013
Basic earnings per share (cents per share)	(0.10)	(0.19)	(0.18)	(0.31)	(0.41)

Additional disclosures relating to key management personnel

Share holding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions*	Other	Balance at the end of the year
<i>Ordinary shares</i>					
Nachum Labkowski	8,856,750	-	4,325,000	-	13,181,750
Mordechai Benedikt	39,677,784	-	65,785,953	-	105,463,737
	<u>48,534,534</u>	<u>-</u>	<u>70,110,953</u>	<u>-</u>	<u>118,645,487</u>

* Relates to on-market purchases or participation in capital raisings (following receipt of shareholder approval) at arms-length terms.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as remuneration	Disposed / expired	Other*	Balance at the end of the year
<i>Options over ordinary shares</i>					
Nachum Labkowski	1,897,875	19,000,000	-	1,562,500	22,460,375
Mordechai Benedikt	20,359,527	22,000,000	-	7,500,000	49,859,527
Andrew Graham	3,000,000	13,000,000	-	-	16,000,000
	<u>25,257,402</u>	<u>54,000,000</u>	<u>-</u>	<u>9,062,500</u>	<u>88,319,902</u>

* Listed options issued as free attaching options in accordance with capital raising conducted during the year.

All options granted during the year vested immediately.

Loans to key management personnel and their related parties

There were no loans to Key Management Personnel at any time during the financial year (2020: Nil).

Other transactions with key management personnel and their related parties

During the previous financial year the Company incurred \$87,000 in consulting fees relating to investor relations services, provided by Carraway Corporate Pty Ltd, an entity associated with Avi Kimelman. The transactions were made at arms-length terms.

The following balances were outstanding at the reporting date in relation to transactions with related parties.

	Consolidated	
	30 June 2021	30 June 2020
Trade and other payables to related parties		
Carraway Corporate Pty Ltd	-	7,700
Mineral Strategies Pty Ltd	-	8,700

Andrew Graham receives his Chief Executive Officer and director fees through an associated entity, Mineral Strategies Pty Ltd.

There were no other transactions with key management personnel and their related parties.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Cohiba Minerals Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
Various	22 May 2022	\$0.01	348,903,277
12 December 2020	18 December 2023	\$0.02	54,000,000
27 August 2021	18 December 2023	\$0.02	14,000,000
			<u>416,903,277</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of Cohiba Minerals Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Date options exercised	Exercise Price	Number of shares issued
20 August 2020	\$0.01	795,000
28 August 2020	\$0.01	312,500
21 September 2020	\$0.01	212,500
7 October 2020	\$0.01	102,461
26 October 2020	\$0.01	75,000
25 November 2020	\$0.01	155,476
9 December 2020	\$0.01	143,222
9 December 2020	\$0.01	250,000
17 December 2020	\$0.01	400,000
12 January 2021	\$0.01	2,417,780
18 January 2021	\$0.01	350,000
22 January 2021	\$0.01	20,650,000
3 February 2021	\$0.01	750,000
10 February 2021	\$0.01	25,000
10 March 2021	\$0.01	1,352,777
6 June 2021	\$0.01	<u>1,000,000</u>
		<u><u>28,991,716</u></u>

The options were granted on various dates.

Indemnity and insurance of officers

The consolidated entity has agreed to indemnify all the directors of the consolidated entity for any liabilities to another person (other than the consolidated entity or related body corporate) that may arise from their position as directors of the consolidated entity, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, the consolidated entity paid a premium in respect of a contract to insure the directors and executives of the consolidated entity against a liability 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.

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the consolidated entity

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the consolidated entity, or to intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

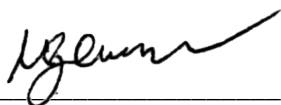
William Buck Audit (Vic) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of amounts

Cohiba Minerals Limited is a type of Company that is referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Mordechai Benedikt', written over a horizontal line.

Mordechai Benedikt
Executive Chairman

29 September 2021

**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 2021 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

A handwritten signature in black ink, appearing to read 'N.S. Benbow'.

N.S. Benbow

Director

Melbourne, dated this 29th day of September, 2021

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

Cohiba Minerals Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021



	Note	Consolidated 2021 \$	2020 \$
Income			
Interest income		21,797	4,087
Government grant income		10,000	10,000
Foreign exchange gain on investments		-	8,262
		31,797	22,349
Expenses			
Employment expenses	5	(798,162)	(521,661)
Corporate expenses		(627,419)	(419,652)
Write off of investments	8	-	(291,418)
Write off of exploration and evaluation		-	(78,544)
		(1,393,784)	(1,288,926)
Loss before income tax expense		(1,393,784)	(1,288,926)
Income tax expense		-	-
		-	-
Loss after income tax expense for the year attributable to the owners of Cohiba Minerals Limited		(1,393,784)	(1,288,926)
Other comprehensive income for the year, net of tax		-	-
		-	-
Total comprehensive loss for the year attributable to the owners of Cohiba Minerals Limited		(1,393,784)	(1,288,926)
		Cents	Cents
Basic earnings per share	23	(0.12)	(0.19)
Diluted earnings per share	23	(0.12)	(0.19)

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

Cohiba Minerals Limited
Statement of financial position
As at 30 June 2021



	Note	Consolidated 2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	6	6,499,541	904,285
Other receivables	7	67,693	120,210
Prepayments		34,630	53,758
Total current assets		<u>6,601,864</u>	<u>1,078,253</u>
Non-current assets			
Exploration and evaluation	9	4,637,754	2,990,360
Total non-current assets		<u>4,637,754</u>	<u>2,990,360</u>
Total assets		<u>11,239,618</u>	<u>4,068,613</u>
Liabilities			
Current liabilities			
Trade and other payables	10	67,713	102,138
Borrowings		-	10,088
Employee benefits		-	211
Total current liabilities		<u>67,713</u>	<u>112,437</u>
Total liabilities		<u>67,713</u>	<u>112,437</u>
Net assets		<u>11,171,905</u>	<u>3,956,176</u>
Equity			
Issued capital	11	19,235,198	11,016,910
Reserves		581,975	190,750
Accumulated losses		<u>(8,645,268)</u>	<u>(7,251,484)</u>
Total equity		<u>11,171,905</u>	<u>3,956,176</u>

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

Cohiba Minerals Limited
Statement of changes in equity
For the year ended 30 June 2021



Consolidated	Issued capital \$	Reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	9,977,262	394,181	(6,356,739)	4,014,704
Loss after income tax expense for the year	-	-	(1,288,926)	(1,288,926)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,288,926)	(1,288,926)
Issue of ordinary shares, net of transaction costs	897,095	-	-	897,095
Issue of unlisted options to CHK holders	142,553	-	-	142,553
Expiry of options	-	(394,181)	394,181	-
Share based payments	-	190,750	-	190,750
Balance at 30 June 2020	11,016,910	190,750	(7,251,484)	3,956,176
Consolidated	Issued capital \$	Reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	11,016,910	190,750	(7,251,484)	3,956,176
Loss after income tax expense for the year	-	-	(1,393,784)	(1,393,784)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,393,784)	(1,393,784)
Issue of ordinary shares, net of transaction costs	7,807,231	-	-	7,807,231
Issue listed options	6,690	-	-	6,690
Exercise of options	289,917	-	-	289,917
Vesting of share-based-payments	-	505,675	-	505,675
Transfer from share based payment reserve following exercise of options	114,450	(114,450)	-	-
Balance at 30 June 2021	19,235,198	581,975	(8,645,268)	11,171,905

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

Cohiba Minerals Limited
Statement of cash flows
For the year ended 30 June 2021



	Note	Consolidated 2021 \$	2020 \$
Cash flows from operating activities			
Payments to suppliers & employees		(927,579)	(745,657)
Interest received		21,797	4,087
Government grants received		10,000	10,000
		<u> </u>	<u> </u>
Net cash used in operating activities	22	<u>(895,782)</u>	<u>(731,570)</u>
Cash flows from investing activities			
Payments for exploration and evaluation assets		<u>(1,652,812)</u>	<u>(607,305)</u>
Net cash used in investing activities		<u>(1,652,812)</u>	<u>(607,305)</u>
Cash flows from financing activities			
Proceeds from issue of shares		7,908,830	912,619
Proceeds from exercise of options		289,917	-
Proceeds from issue of options		6,690	142,553
Payments for capital raising costs		(51,499)	(7,257)
Repayment of borrowings		(10,088)	-
		<u> </u>	<u> </u>
Net cash from financing activities		<u>8,143,850</u>	<u>1,047,915</u>
Net increase/(decrease) in cash and cash equivalents		5,595,256	(290,960)
Cash and cash equivalents at the beginning of the financial year		<u>904,285</u>	<u>1,195,245</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>6,499,541</u></u>	<u><u>904,285</u></u>

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

Note 1. General information

The financial statements cover Cohiba Minerals Limited as a consolidated entity consisting of Cohiba Minerals Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Cohiba Minerals Limited's functional and presentation currency.

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

Level 21, 459 Collins Street
Melbourne, VIC 3000
Ph: (03) 8630 3321

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 September 2021. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the following:

- Investments in preference shares, which are measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cohiba Minerals Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Cohiba Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

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

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The consolidated entity recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Accounting policy for Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 2. Significant accounting policies (continued)

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees, consultants and suppliers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted. A significant judgement comes from the expected price volatility of the underlying share. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

During the financial year, the Company issued options with non-market based vesting conditions. The options have been accounted for on a pro rata basis over the expected vesting period with 19% of the total expense recorded in the current financial year.

Fair valuation assessment of preference shares investment

In the 2019 financial year, the consolidated entity invested in preference shares in a US-based financial corporation. Details of the rights and terms of these preference shares are disclosed in note 8. At initial recognition, the preference shares were accounted for at fair value, with changes in fair value taken to the profit or loss.

Consistent with the prior year, the directors continue to value the investment in preference shares, which had an initial cost value of \$283,688. This level 3 investment has been valued on an expected yield basis, with an expectation of nil returns for an immediate and long-term time period. This expected yield basis valuation method has been applied due to a lack of available market data for the valuation of the investment, including available prices for trades for other preference share equity held in the investee. In considering the fair valuation, the Directors considered the ability of the investee to continue to accrue and distribute an annual 8% dividend return under the terms of the investment.

Given a delay in receiving the prior year's distribution, and from an analysis of the financial performance and position of the investee, based upon unaudited financial information provided by the investee, coupled with more broader macroeconomic factors impacting the investee's financial performance, including the impact of the COVID pandemic, it was determined the fair value of the investment continue to be accounted for as zero.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and carry forward losses only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those deductible temporary differences and carry forward losses.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Impairment of exploration and evaluation costs

The consolidated entity assesses impairment of exploration and evaluation costs at each reporting date by evaluating conditions specific to Cohiba Minerals and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

There were no indicators for impairment on the consolidated entity's areas of interest during the financial year.

Note 4. Operating segments

Identification of reportable operating segments

The Consolidated entity 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 Consolidated entity operates in one segment being the evaluation and exploration of resources in the Oceania region.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Employment expenses

	Consolidated	
	2021	2020
	\$	\$
Director fees	287,499	322,435
Superannuation expense	4,988	8,476
Share based payment expense	505,675	190,750
	<u>798,162</u>	<u>521,661</u>

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	2021	2020
	\$	\$
Cash at bank	<u>6,499,541</u>	<u>904,285</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 7. Current assets - Other receivables

	Consolidated	
	2021	2020
	\$	\$
Other receivables - Amounts due from investors for capital raised	43,250	93,250
GST receivable	19,023	26,960
Trade receivables	5,420	-
	<u>67,693</u>	<u>120,210</u>

Accounting policy for other receivables

Other receivables are measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment

Allowances for impairment are recognised using an 'expected credit loss' ('ECL') model. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

Note 8. Current assets - investments

	Consolidated	
	2021	2020
	\$	\$
	<u> </u>	<u> </u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	-	283,688
FX revaluation gain	-	7,730
Write off of assets	-	<u>(291,418)</u>
Closing fair value	<u>-</u>	<u>-</u>

During the 2019 financial year the consolidated entity invested in unlisted preference shares, at USD \$1 per share, in a US based corporation. Holders are entitled an annual 8% dividend. Holders do not have any voting rights.

As at the end of the financial year, the Directors considered the fair value of this investment, which was classified as a Level 3 investment, consistent with the prior year, due to the limited market data available to value the investment (2020: Level 3). In considering the fair valuation, the Directors considered the ability of the investee to continue to accrue and distribute an annual 8% dividend return under the terms of the investment.

Given a delay in receiving the prior year's distribution, and from an analysis of the financial performance and position of the investee, based upon unaudited financial information provided by the investee, coupled with more broader macroeconomic factors impacting the investee's financial performance, including the impact of the COVID pandemic, it was determined the fair value of the investment continue to be accounted for as zero.

The Company has not received any distributions or a reliable fair value price during the current financial year.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted.

Fair value movements and foreign exchange gains and losses are recognised in profit or loss.

Note 9. Non-current assets - exploration and evaluation

	Consolidated	
	2021	2020
	\$	\$
	<u> </u>	<u> </u>
Exploration and evaluation assets	<u>4,637,754</u>	<u>2,990,360</u>

Note 9. Non-current assets - exploration and evaluation (continued)

Reconciliations

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

Consolidated	Capitalised exploration and evaluation expenditure \$	Total \$
Balance at 1 July 2019	2,461,600	2,461,600
Expenditure during the year	607,304	607,304
Write off of assets	(78,544)	(78,544)
	<hr/>	<hr/>
Balance at 30 June 2020	2,990,360	2,990,360
Expenditure during the year	1,647,394	1,647,394
	<hr/>	<hr/>
Balance at 30 June 2021	<u>4,637,754</u>	<u>4,637,754</u>

During the year, the consolidated entity has carried out a review of the carrying amount of exploration and evaluation assets and recorded no impairments.

Olympic Domain Farm-in Agreement

On 7 March 2018 the Company entered into a Farm-in Agreement with Olympic Domain Pty Ltd (Arrangement) for a proposed joint venture in respect of seven distinct exploration tenements located in South Australia. Under the present conditions of the Arrangement, the Company will be entitled to form a joint venture upon achievement of a number of Stages in the Arrangement.

- Stage 1 required minimum expenditure of \$500,000 (Minimum Expenditure) within one year of the execution of the Farm-in Agreement and a maximum of \$100,000 as reimbursement to Olympic Domain in connection with the previous development of the tenements. Following completion of the Stage 1 expenditure the Company would acquire a 30% interest in the tenements;
- Stage 2 require minimum expenditure of \$1,000,000 within two years of the execution of the Farm-in Agreement, and a maximum of \$100,000 as reimbursement to Olympic Domain in connection with the previous development of the tenements. Following completion of the Stage 2 expenditure the Company would acquire a further 21% interest in the tenements; and
- Stage 3 required minimum expenditure of \$1,500,000 within three years of the execution of the Farm-in Agreement. Following completion of the Stage 3 expenditure the Company would acquire a further 29% interest in the tenements.

Stage 1 was completed in the 2019 financial year, with the Company earning its 30% interest in the tenements.

On 5 May 2020 the Company announced that it had received confirmation from Olympic Domain that Stage 2 had been achieved. On 2 July 2020 the Company announced that the Deputy Executive Director, Mineral Resources SA had informed the Company of the approval and subsequent transfer of 51% ownership of the Olympic Domain tenements to Cohiba Minerals Ltd, being the Stage 2 minimum expenditure requirement.

On 16 September 2020, the Company announced that it had notified Olympic Domain Pty Ltd that it has exceeded the \$1.5 million expenditure requirement to secure an 80% ownership in the Olympic Domain tenements in South Australia and is awaiting final acknowledgement from Olympic Domain. Olympic Domain refused to acknowledge the Company's claim for the Stage 3 earn-in and the two parties entered a dispute. On 25 March 2021, the Company announced that it had entered into a Deed of Settlement with Olympic Domain in relation to the dispute and the Company's 80% interest would be registered. Olympic Domain will be required to meet 20% of the eligible ongoing expenditure on the Olympic Domain tenements back-dated to 15 January 2021.

Exploration and evaluation expenditure made for the purposes of the Arrangement, has been assessed as being able to be capitalised under the Consolidated entity's accounting policy for such expenditure.

Note 9. Non-current assets - exploration and evaluation (continued)

Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest or its sale. Alternatively, exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Note 10. Current liabilities - trade and other payables

	Consolidated	
	2021	2020
	\$	\$
Trade payables	45,541	75,569
Accrued expenses	22,172	26,569
	<u>67,713</u>	<u>102,138</u>

Refer to note 13 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 11. Equity - issued capital

	2021	Consolidated		2020
	Shares	2020	2021	2020
		Shares	\$	\$
Ordinary shares - fully paid	1,391,463,253	890,702,261	19,085,955	10,874,357
Investor options over ordinary shares	348,919,944	290,596,724	149,243	142,553
	<u>1,740,383,197</u>	<u>1,181,298,985</u>	<u>19,235,198</u>	<u>11,016,910</u>

Note 11. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	30 June 2019	664,614,242		9,977,262
Rights issue	22 May 2020	206,088,019	\$0.004	824,352
Issue of shortfall shares	19 June 2020	20,000,000	\$0.004	80,000
Less: capital raising costs		-	-	(7,257)
Balance	30 June 2020	890,702,261		10,874,357
CHKOA option conversion	20 August 2020	795,000	\$0.01	7,950
CHKOA option conversion	28 August 2020	312,500	\$0.01	3,125
Share issue for capital raising	2 September 2020	143,125,000	\$0.016	2,290,000
CHKOA option conversion	22 September 2020	212,500	\$0.01	2,125
CHKOA option conversion	7 October 2020	102,461	\$0.01	1,025
CHKOA option conversion	26 October 2020	75,000	\$0.01	750
CHKOA option conversion	25 November 2020	155,476	\$0.01	1,555
Share issue for capital raising	1 December 2020	15,000,000	\$0.016	240,000
Share issue for capital raising	4 December 2020	3,125,000	\$0.016	50,000
CHKOA option conversion	9 December 2020	143,222	\$0.01	1,432
CHKOA option conversion	9 December 2020	250,000	\$0.01	2,500
CHKOA option conversion	17 December 2020	400,000	\$0.01	4,000
Share Purchase Plan shares issued	18 December 2020	310,519,276	\$0.01	5,278,828
CHKOA option conversion	12 January 2021	2,417,780	\$0.01	24,178
CHKOA option conversion	18 January 2021	350,000	\$0.01	3,500
CHKOA option conversion	22 January 2021	20,650,000	\$0.01	206,500
CHKOA option conversion	3 February 2021	750,000	\$0.01	7,500
CHKOA option conversion	10 February 2021	25,000	\$0.01	250
CHKOA option conversion	10 March 2021	1,352,777	\$0.01	13,528
CHKOA option conversion	6 April 2021	1,000,000	\$0.01	10,000
Transfer from option reserve following exercise of options		-	-	114,450
Less: capital raising costs		-	-	(51,598)
Balance	30 June 2021	<u>1,391,463,253</u>		<u>19,085,955</u>

Movements in options

Details	Date	Options	Issue price	\$
Balance	1 July 2019	-		-
Issue of share options	22 May 2020	138,044,050	-	-
Issue of share options	18 June 2020	142,552,674	\$0.001	142,553
Issue of share options	19 June 2020	10,000,000	-	-
Balance	30 June 2020	290,596,724		142,553
Issue of share options	2 September 2020	71,562,492	-	-
Issue of share options	1 December 2020	7,500,000	\$0.001	-
Issue of share options	4 December 2020	1,562,500	-	-
Issue of share options	4 December 2020	5,189,944	\$0.001	5,190
Issue of share options	4 December 2020	1,500,000	\$0.001	1,500
CHKOA options converted during the year		(28,991,716)	-	-
Balance	30 June 2021	<u>348,919,944</u>		<u>149,243</u>

Note 11. Equity - issued capital (continued)

Ordinary shares

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

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

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Company seeks to ratify its placement capacity at each Annual General Meeting and General Meeting.

The capital risk management policy remains unchanged from previous financial years.

Accounting policy for 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.

Note 12. Equity - dividends

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

Note 13. Financial instruments

Financial risk management objectives

The Consolidated entity's activities expose it to financial risks such as market risk (foreign currency risk and price risk) and liquidity risk. The Consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated entity. The Consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include maturity analysis in the case of liquidity risk.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Note 13. Financial instruments (continued)

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The Company was not subject to significant foreign currency risk during the financial year.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The Consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables.

	Current \$	31 - 60 days past due \$	61 - 90 days past due \$	> 91 days past due \$	Total \$
Financial assets					
Other receivables*	-	-	-	43,250	43,250

* The current expected credit loss rate is zero, with no expected credit loss to be recorded.

Liquidity risk

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 Consolidated entity's short, medium and long-term funding and liquidity management requirements. The Consolidated entity manages liquidity risk through capital raising activities, and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Consolidated entity did not have any undrawn facilities at its disposal as at reporting date. Vigilant liquidity risk management requires the Consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 14. Key management personnel disclosures

Directors

The following persons were Directors of Cohiba Minerals Limited during the financial year:

Mr Mordechai Benedikt (Executive Director)	Appointed Executive Chairman 17 June 2020
Mr Nachum Labkowski (Non-Executive Director)	
Mr Andrew Graham (Chief Executive Officer and Executive Director)	Appointed Chief Executive Officer 24 February 2020, appointed Executive Director 17 June 2020
Mr Avi Kimelman (Non-Executive Chairman)	Resigned 17 June 2020
Dr Robert Beeson (Non-Executive Director)	Resigned 28 February 2020

Note 14. Key management personnel disclosures (continued)

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2021	2020
	\$	\$
Short-term employee benefits	391,749	357,224
Post-employment benefits	-	8,476
Share-based payments	505,674	147,150
	<u>897,423</u>	<u>512,850</u>

Note 15. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

	Consolidated	
	2021	2020
	\$	\$
<i>Audit services - William Buck</i>		
Audit or review of the financial statements	<u>32,200</u>	<u>32,270</u>

Note 16. Contingent liabilities

There are no contingent liabilities as at the end of the financial year (2020: nil).

Note 17. Commitments

The Consolidated entity has to perform minimum exploration work and expend minimum amounts of money on its tenements. The overall expenditure requirement tends to be limited in the normal course of the Consolidated entity's tenement portfolio management through expenditure exemption approvals and expenditure reductions through relinquishment of parts of the whole of tenements deemed on prospective. Should the Consolidated entity wish to preserve interest in its current tenements the amount which may be required to be expended is as follows:

	Consolidated	
	2021	2020
	\$	\$
<i>Planned Exploration Expenditure</i>		
Within one year	868,500	2,627,500
One to five years	3,162,500	358,500
	<u>4,031,000</u>	<u>2,986,000</u>
Total commitment	-	-
	<u>4,031,000</u>	<u>2,986,000</u>

Note 17. Commitments (continued)

Olympic Domain Farm-in Agreement

During the previous financial year, the Company entered into a Farm-in Agreement with Olympic Domain Pty Ltd (Olympic Domain) with the right to earn up to 80% in a number of tenements located in South Australia.

The Farm-in Agreement includes 3 stages of earn-in whereby the Company will acquire a relevant interest as follows:

- Stage 1 requires minimum expenditure of \$500,000 (Minimum Expenditure) within one year of the execution of the Farm-in Agreement and a maximum of \$100,000 as reimbursement to Olympic Domain in connection with the previous development of the tenements. Following completion of the Stage 1 expenditure the Company will acquire a 30% interest in the tenements;
- Stage 2 requires minimum expenditure of \$1,000,000 within two years of the execution of the Farm-in Agreement, and a maximum of \$100,000 as reimbursement to Olympic Domain in connection with the previous development of the tenements. Following completion of the Stage 2 expenditure the Company will acquire a further 21% interest in the tenements; and
- Stage 3 requires minimum expenditure of \$1,500,000 within three years of the execution of the Farm-in Agreement. Following completion of the Stage 3 expenditure the Company will acquire a further 29% interest in the tenements.

Stage 1 was previously achieved, which was announced on 27 February 2019.

During the previous financial year the Company achieved its Stage 2 interest in the tenements, as announced on 5 May 2020.

On 16 September 2020, the Company announced that it had notified Olympic Domain Pty Ltd that it has exceeded the \$1.5 million expenditure requirement. On 25 March 2021 the Company announced that it had settled a dispute with Olympic Domain Pty Ltd in relation to the Company's 80% ownership in the Olympic Domain tenements. Olympic Domain will be required to meet 20% of the eligible, ongoing expenditure on the Olympic Domain tenements, back-dated to 15 January 2021 and the Company would receive its 80% interest.

Note 18. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 20.

Key management personnel

Disclosures relating to key management personnel are set out in note 14 and the remuneration report included in the Directors' report.

Transactions with related parties

During the previous financial year the Company incurred \$87,000 in consulting fees relating to investor relations services, provided by Carraway Corporate Pty Ltd, an entity associated with Avi Kimelman. The transactions were made at arms-length terms.

During the financial year the Company paid \$5,750 to Mineral Strategies Pty Ltd, an entity associated with Director, Mr Andrew Graham, in connection with additional services provided to the Company. The transactions were made at arms-length terms.

Receivable from and payable to related parties

The following balances were outstanding at the reporting date in relation to transactions with related parties.

	Consolidated	
	30 June 2021	30 June 2020
Trade and other payables to related parties		
Carraway Corporate Pty Ltd	-	7,700
Mineral Strategies Pty Ltd	-	8,700

Note 18. Related party transactions (continued)

Andrew Graham receives his Chief Executive Officer and director fees through an associated entity, Mineral Strategies Pty Ltd.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 19. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021	2020
	\$	\$
Loss after income tax	<u>(1,393,784)</u>	<u>(1,288,926)</u>
Total comprehensive loss	<u>(1,393,784)</u>	<u>(1,288,926)</u>

Statement of financial position

	Parent	
	2021	2020
	\$	\$
Total current assets	<u>7,556,592</u>	<u>1,847,069</u>
Total assets	<u>11,286,324</u>	<u>4,115,319</u>
Total current liabilities	<u>67,713</u>	<u>112,437</u>
Total liabilities	<u>67,713</u>	<u>112,437</u>
Equity		
Issued capital	19,235,198	11,016,910
Share based payments options reserve	581,975	190,750
Accumulated losses	<u>(8,598,562)</u>	<u>(7,204,778)</u>
Total equity	<u><u>11,218,611</u></u>	<u><u>4,002,882</u></u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 (30 June 2020: nil).

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 (30 June 2020: nil)

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 (30 June 2020: nil)

Note 20. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
Charge Lithium Pty Ltd	Australia	100%	100%
Cobalt X Pty Ltd	Australia	100%	100%

Note 21. Events after the reporting period

- On 9 August 2021, the Company announced that it had entered into a Farm-In Agreement with Tigers Dominion Group Pty Ltd to earn up to a 51% interest in a highly strategic IOCG target are in the Gawler Craton. The Company has entered into a minimum commitment to spend \$600,000 by drilling a 600m drill hold on the eastern part of EL6324, followed by a 400m drill hole on either the eastern or western part of EL6324.
- On 27 August 2021, the Company issued 14,000,000 unlisted options to consultants with each option being exercisable at \$0.02 (2 cents) on or before 18 December 2023.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 22. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2021 \$	2020 \$
Loss after income tax expense for the year	(1,393,784)	(1,288,926)
Adjustments for:		
Share-based payments	505,675	190,750
Write off of exploration and evaluation	-	78,544
Write off of investments	-	291,418
Change in operating assets and liabilities:		
Decrease/ (increase) in prepayments	19,128	(34,859)
Decrease/ (increase) in trade and other receivables	7,838	(12,369)
Increase/ (decrease) in trade and other payables	(34,428)	43,661
Increase/ (decrease) in employee benefits	(211)	211
Net cash used in operating activities	<u>(895,782)</u>	<u>(731,570)</u>

Note 23. Loss per share

	Consolidated	
	2021 \$	2020 \$
Loss after income tax attributable to the owners of Cohiba Minerals Limited	<u>(1,393,784)</u>	<u>(1,288,926)</u>

Note 23. Loss per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,198,059,822	687,237,345
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,198,059,822</u>	<u>687,237,345</u>
	Cents	Cents
Basic earnings per share	(0.12)	(0.19)
Diluted earnings per share	(0.12)	(0.19)

No options or performance rights have been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the Consolidated entity is loss generating.

Accounting policy for earnings per share

Basic loss per share

Basic loss per share is calculated by dividing the profit attributable to the owners of Cohiba Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 24. Share-based payments

Set out below are summaries of options granted during the year and on issue at the end of the financial year from equity-settled share-based payment transactions:

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year
22/05/2020	22/05/2022	\$0.01	35,000,000	-	(16,000,000)	-	19,000,000
18/12/2020	01/12/2023	\$0.02	-	54,000,000	-	-	54,000,000
			<u>35,000,000</u>	<u>54,000,000</u>	<u>(16,000,000)</u>	<u>-</u>	<u>73,000,000</u>

During the previous financial year the consolidated entity issued 35,000,000 unlisted options to directors, management and consultants.

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year
19/04/2017	17/05/2020	\$0.036	20,000,000	-	-	(20,000,000)	-
16/03/2018	18/04/2020	\$0.018	12,000,000	-	-	(12,000,000)	-
12/12/2018	18/04/2020	\$0.18	15,000,000	-	-	(15,000,000)	-
22/05/2020	22/05/2022	\$0.01	-	35,000,000	-	-	35,000,000
			<u>47,000,000</u>	<u>35,000,000</u>	<u>-</u>	<u>(47,000,000)</u>	<u>35,000,000</u>

Note 24. Share-based payments (continued)

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2021 Number	2020 Number
22/05/2020	22/05/2022	19,000,000	35,000,000
18/12/2020	18/12/2023	24,000,000	-
		<u>43,000,000</u>	<u>35,000,000</u>

An additional 30,000,000 unlisted options exercisable at \$0.02 on or before 18 December 2023 are subject to satisfaction of vesting conditions. The options will vest upon the Company announcing an independently verified JORC compliant Inferred Mineral Resource of a minimum of 2 million tonnes at a copper equivalent (CuEq) grade of not less than 0.5% Cu for at least 10,000 tonnes of copper metal equivalency across any of the Company's tenements. The options have been accounted for on a pro rata basis over the expected vesting period with 19% of the total expense recorded in the current financial year.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/12/2020	18/12/2023	\$0.021	\$0.02	148.67%	-	0.11%	\$0.017

Reconciliation of share based payments expense recorded in the statement of profit and loss relating to each class of share based payment:

	Consolidated	
	30 June 2021	30 June 2020
Options issued to directors, management, and consultants	<u>505,675</u>	<u>190,750</u>

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees, consultants and suppliers.

Equity-settled transactions are awards of shares, performance rights or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are usually recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of equity-settled transactions can also be recognised as capital raising costs recorded against equity, with the same recognition approach as above.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

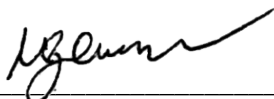
In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Mordechai Benedikt', written over a horizontal line.

Mordechai Benedikt
Executive Chairman

29 September 2021

Cohiba Minerals Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cohiba Minerals Limited (the Company) and its controlled entities (together, the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CARRYING VALUE AND CAPITALISATION OF EXPLORATION AND EVALUATION ASSETS	
Area of focus	How our audit addressed it
<p>The Group has incurred exploration and evaluation costs for exploration projects in Australia over a number of years.</p> <p>The Group holds the right to explore and evaluate those projects through either a direct ownership of the underlying area of interest or through Farm-in Arrangements with third parties (who hold the underlying right to the area of interest). During the period there was a dispute in relation to the farm-in joint venture tenements with Olympic Domain Pty Ltd, ultimately resulting in Olympic Domain Pty Ltd being required to backpay 20% of exploration and evaluation expenditure on these sites which was also resolved during the financial year.</p> <p>There is a risk that the Group may lose or relinquish its rights to further explore and evaluate those areas of interest and therefore amounts capitalized to the statement of financial position from the current and historical periods be no longer recoverable.</p>	<p>In order to meet this risk, our audit procedures included the following:</p> <ul style="list-style-type: none"> — Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, be this through Farm-in Arrangement and/or directly through to the underlying tenement, including an evaluation of the requirement to renew that tenement at its expiry; — Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying tenement expenditure plan; — Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest; and — From an overall perspective, comparing the market capitalisation of the Group to the net carrying value of its assets on the statement of financial position to identify any other additional indicators of impairment. — Correct disclosure in relation to the joint venture operation farm-in agreement in reference to the Olympic Domain joint venture <p>We also assessed the adequacy of the Group's disclosures in respect of capitalised exploration costs and the planned expenditures under either direct tenement agreements or as applicable under Farm-in Arrangements.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Cohiba Minerals Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group 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.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN: 59 116 151 136

A handwritten signature in black ink, appearing to be 'N.S. Benbow', written over a faint, illegible background.

N.S. Benbow

Director

Melbourne, 29 September 2021

The shareholder information set out below was applicable as at 6 September 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	147	-	3	-
1,001 to 5,000	11	-	2	-
5,001 to 10,000	16	0.01	11	0.02
10,001 to 100,000	1,042	3.74	129	1.88
100,001 and over	1,217	96.25	281	98.10
	<u>2,433</u>	<u>100.00</u>	<u>426</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>432</u>	<u>-</u>	<u>69</u>	<u>-</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	ordinary Shares % of total shares issued
Jascot Rise Pty Ltd (Jascot Rise A/C)	89,583,737	6.44
Gefen Investments Pty Ltd	38,492,410	2.77
Mrs Rozette Benedikt & Mr Itzhak Benedikt (Sniders Carmel PL SF A/C)	34,296,599	2.46
Jamora Nominees Pty Ltd (Kaboonk Discretionary A/C)	31,764,711	2.28
HSBC Custody Nominees (Australia) Limited	27,231,537	1.96
Bnp Paribas Nominees Pty Ltd (Ib Au Noms Retailclient Drp)	21,904,240	1.57
Jascot Rise Pty Ltd (Jascot Rise S/F A/C)	15,880,000	1.14
Mr Conor John Mithcell	15,000,000	1.08
Erlischer Investment Pty Ltd (Erlischer Investment A/C)	14,863,680	1.07
Bd Penfold Pty Ltd (B Merkaz Super Fund A/C)	14,795,450	1.06
Citicorp Nominees Pty Limited	13,709,014	0.99
Mr Salvatore Di Vincenzo	13,227,680	0.95
Mr Nachum Labkowski	13,181,750	0.95
Mr Zhi Wei Yuan & Mrs Sui Shan Lu	12,200,000	0.88
Top Safety Australia Pty Ltd	12,061,171	0.87
Mr Arye Leon Shapiro	11,764,705	0.85
Mr Shimshon Heller	11,599,806	0.83
Mr Itzhak Benedikt (Benedikt Imports P/Fund A/C)	11,499,609	0.83
Mr Peter James Jesson	11,300,000	0.81
Mr Marc David Chiaruttini	10,000,000	0.72
	<u>424,356,099</u>	<u>30.51</u>

	Options over	
	ordinary shares	ordinary shares % of total options
Jascot Rise Pty Ltd (Jascot Rise A/C)	22,234,527	6.37
Mr Peter Andrew Proksa	19,253,847	5.52
Mr David Fagan	18,720,000	5.37
Mr Ross Dix Harvey	13,158,530	3.77
Mr Ryan A McMahon	10,000,000	2.87
Mr Janto Haman	7,614,577	2.18
Erlichster Investment Pty Ltd (Erlichster Investment A/C)	6,612,213	1.90
Bd Penfold Pty Ltd (B Merkaz Super Fund A/C)	6,607,692	1.89
Jascot Rise Pty Ltd (Jascot Rise S/F A/C)	5,625,000	1.61
Attollo Investments Pty Ltd (Attollo Investment A/C)	5,334,718	1.53
Gefen Investments Pty Ltd	5,125,000	1.47
Indomain Enterprises Pty Ltd (U C Mondello Family A/C)	4,700,417	1.35
Mr Anthony Kur	4,700,000	1.35
Synod Nominees Pty Ltd	4,650,000	1.33
Mr Janto Haman	4,334,408	1.24
Mouch Pty Ltd (Mouch Family A/C)	4,250,000	1.22
Y & M Friedman Pty Ltd (Y & M Friedman Family A/C)	4,242,355	1.22
Mrs Rozette Benedikt & Mr Itzhak Benedikt (Sniders Carmel PL SF A/C)	4,178,265	1.20
Mr Liam Seamus Fay	4,077,139	1.17
Indomac Pty Ltd	4,050,000	1.16
	159,468,688	45.72

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Jascot Rise Pty Ltd	100,463,737	7.22

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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

There are no other classes of equity securities.

Tenements

Description	Tenement number	Interest owned %
Exploration Licence (WA)	E74/594	100.00
Exploration Licence (QLD)	EPM26376	100.00
Exploration Licence (QLD)	EPM26377	100.00
Exploration Licence (QLD)	EPM26379	100.00
Exploration Licence (QLD)	EPM26380	100.00
Mining Licence (QLD)	ML 2054	80.00
Mining Licence (QLD)	ML 2773	80.00
Mining Licence (QLD)	ML 90098	80.00
Exploration Licence (SA)	EL 6118	80.00
Exploration Licence (SA)	EL 6119	80.00
Exploration Licence (SA)	EL 6120	80.00
Exploration Licence (SA)	EL 6121	80.00
Exploration Licence (SA)	EL 6122	80.00
Exploration Licence (SA)	EL 6183	80.00
Exploration Licence (SA)	EL 6675	80.00
Right to earn up to 51% - farm-in agreement	EL 6324	-

Corporate Governance Statement

The Company's 2021 Corporate Governance Statement has been released to ASX on this day and is available on the Company's website at: <https://www.cohibaminerals.com.au/our-company/corporate-governance/>