# Cohiba Minerals Limited

**ABN 72 149 026 308**

## Annual Report - 30 June 2018

| | |
|---|---|
| Directors | Mr Mordechai Benedikt (Executive Chairman)<br>Mr Nachum Labkowski (Non-Executive Director)<br>Dr Robert Beeson (Non-Executive Director) |
| Company secretary | Mr Justin Mouchacca |
| Registered office | Level 4, 100 Albert Road<br>South Melbourne, VIC 3205<br>Ph: (03) 9692 7222<br>Fax: (03) 9077 9233 |
| Principal place of business | Level 4, 100 Albert Road<br>South Melbourne, VIC 3205 |
| Share register | Security Transfer Registrars Pty Ltd<br>770 Canning Highway<br>Applecross WA 6153<br>Telephone: (08) 9315 2333<br>Fax: (08) 9315 2233 |
| Auditor | William Buck<br>Level 20, 181 William Street<br>Melbourne VIC 3000 |
| Stock exchange listing | Cohiba Minerals Limited securities are listed on the Australian Securities Exchange (ASX codes: CHK and CHKO) |
| Website | www.cohibaminerals.com.au |
| Corporate Governance Statement | The Company's 2018 Corporate Governance Statement has been released to ASX on 27 September 2018 and is available on the Company's website at http://www.cohibaminerals.com.au/corporate_governance |

**Highlights for the period**

- **Exploration Licences E45/4767, E45/4768 and E45/4769 was granted to the Cohiba subsidiary Charge Lithium Pty Ltd**
- **High grade rock chip assays up to 26.4% for copper, up to 0.21% cobalt and 3.15g/t gold, returned from the lab which all confirm the high grade nature of the Wee Macgregor project project Reconnaissance sampling program was carried out on the Pyramid Lake project**
- **Grade 1 gypsum discovered within a dune system within Pyramid Lake.**
- **100% owned exploration licences granted within the Mt Gordon mine area, Queensland**
- **Execution of Farm-In Agreement to IOCG and Base metals exploration projects in South Australia**
- **Capital Raising of $1.46 million carried out during the year**

## Cobalt X Acquisition

During the period, and following shareholder approval sought at the Company's General Meeting held on 27 June 2017, the Company completed the acquisition of all issued shares in Cobalt X Pty Ltd (**Cobalt X**) as announced to the ASX on 20 February 2017.

On 24 July 2017, the Company issued the consideration shares, with 50% of the shares being escrowed for 12 months from the date of issue.

During the period, the Company received notification from Cobalt X Pty Ltd that Exploration Licence Application EPM 26379 had been granted.

On 9 January 2018, the Company announced that it had been granted exploration licences EPM26376, EPM 26377 and EPM26380, covering 15km or potential strike in highly prospective copper cobalt tenure in Queensland.

The Mt Gordon exploration licences are located in the Western Succession of the Mount Isa inlier, host to copper and cobalt projects such as the historic Mount Gordon and Mount Oxide mines, Lady Annie and others. The tenements are along strike and north of the Mount Gordon Esperanza and Mammoth deposits and straddle the Mount Gordon North anomalies and the Mount Oxide mine. Mineralisation in both the historic Mount Gordon and Mount Oxide mines is found in brecciated carbonaceous shale, chert, quartzite and sandstone commonly associated with faulting and/or conversion of faults in the fractured host rock. The tenements share the same host sediments of both of those deposits but more importantly are within the same intensely folded and faulted district providing strong exploration upside. The southern tenement contains an exact mirror of the sedimentary sequence that hosts the Mount Oxide mine.

## 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 leech processing plant in the Mt. Isa region (referred to as the Lady Jenny processing plant[1]). The nature and status of these Project Rights is described in detail in the Company's Notice of General Meeting (Notice) dated 26 May 2017.

The Company has been granted a waiver from ASX, as announced on 26 May 2017, in relation to the issue of deferred consideration for the acquisition of Cobalt Pty Ltd. As at the date of this report, there have not been any shares issued pursuant to this ASX waiver.

[1] *This acquisition may not occur. Negotiations have halted and the company will look to re-open communications with the vendors.*

## Wee Macgregor project Update

The Wee Macgregor group is located in Mount Isa, Queensland, a premier base metals province (see announcement 25/10/17). The Project comprises three granted mining licences, ML 2504, ML 2773 and ML 90098. These licences are located approximately 60km southeast of Mr Isa with access via the sealed Barkly Highway and the unsealed Fountain Springs Road. The Wee Macgregor project (licence ML 2504) has an existing JORC 2012 estimated Inferred Resource of 1.65Mt @ 1.6% Copper and an exploration target of between 1.0 – 1.5Mt @ 2.3 – 3.7% Copper as determined by the previous tenement operator[2]. The exploration target is conceptual in nature as there has been insufficient exploration to define a mineral resource. It is uncertain whether future exploration will result in the determination of a Mineral Resource under the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserve – JORC Code 2012'. The exploration target is not being reported as any part of a Mineral Resource or Ore Reserve.

During the period, the Company announced that laboratory assays have confirmed high grade rock chip mineralisation of up to 26.4% for copper, up to 0.21% cobalt and 3.15g/t gold at Wee Macgregor Copper cobalt gold Project.

Assay results announced on 25 October 2017 (Table 1) confirmed high grade rock chip mineralisation of up to 26.4% for copper, up to 0.21% cobalt and 3.15g/t. These results have validated historical geochemistry and confirmed the presence of multiple zones of cobalt and gold associated with the copper mineralisation over a significant area.

| Sample ID | Easting | Northing | Cu (%) | Co (ppm) | Au (g/t) |
|---|---|---|---|---|---|
| 27 (1) | 390128 | 7687215 | 11.4 | 1965 | 0.01 |
| 28 (6) | 390209 | 7687041 | 24.2 | 635 | 1.66 |
| 29 (3) | 390149 | 7687207 | 26.4 | 429 | 0.92 |
| 30 (5) | 390163 | 7687175 | 15.8 | 407 | 3.15 |
| 31 (001) | 390126 | 7686711 | 8.4 | 2140 | 0.03 |

***Table 1. Rock Chip Assay results***

The Company is working with a highly regarded local contractor on the scope of works in preparation of minor earthworks to restore the access road and conduct the initial drilling programs. Cohiba is in the process of preparing necessary regulatory permits and approvals to commence the drilling operations in the period. Drilling commenced after year's end.

## Pyramid Lake (E74/594)

The E74/594 property is located 115 km northwest of Esperance (150 km by road) and is accessed from the highway linking Ravensthorpe and Esperance by turning onto Cascade road, approximately 50 km by road west from Esperance, then following Cascade Road to the Junction with Neds Road that provides access to tracks leading to the lake. Reconnaissance sampling was carried out on the Pyramid Lake project to evaluate potential for lithium brine, potash and agricultural gypsum (Figure 1).

[2] Ref: ASX Announcement AGY, 9/12/15 http://www.asx.com.au/asxpdf/20151209/pdf/433p3ftdptvbrt.pdf.

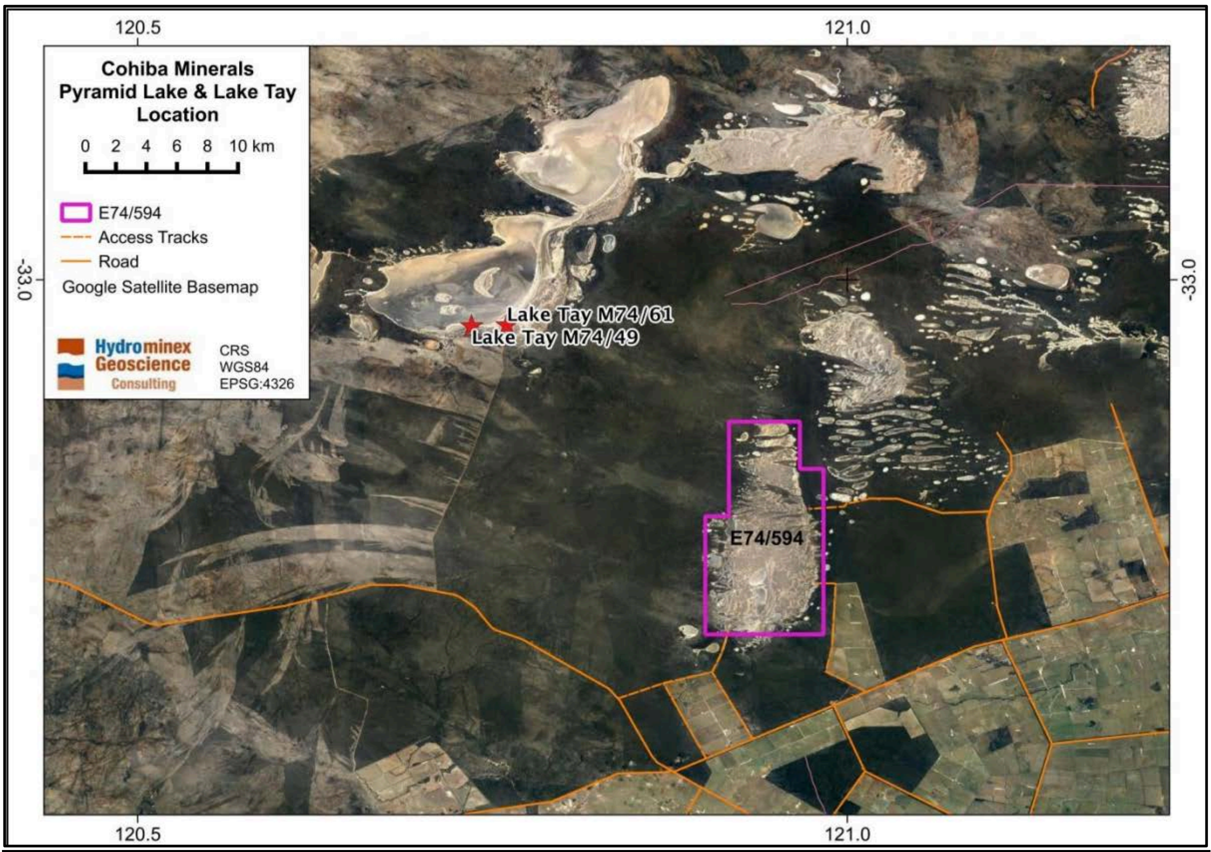


***Figure 1. Location of Pyramid Lake in relation to the existing agricultural gypsum producer in the district.***

During the period the company engaged Murray Brooker from Hydrominex Geoscience as Consulting Hydrogeologist. Mr Brooker has significant experience in hydrogeological assessments of salt Lake lithium and potash projects in Argentina and Chile. Extensively involved with the development of Orocobre's Olaroz Project in Argentina.

Initial desktop investigations identified the potential for gypsum; this includes collecting all available data, preparing maps, conducting a field visit and sampling and writing up observations.

A total of 10 hand dug pits were excavated across the lake in a northern and southern transect to evaluate surface samples, measure depth to the water table and take brine samples. Eight primary brine samples were taken and two duplicate brine samples were collected for analysis and four samples were taken to evaluate gypsum quality and content (Figure 2).

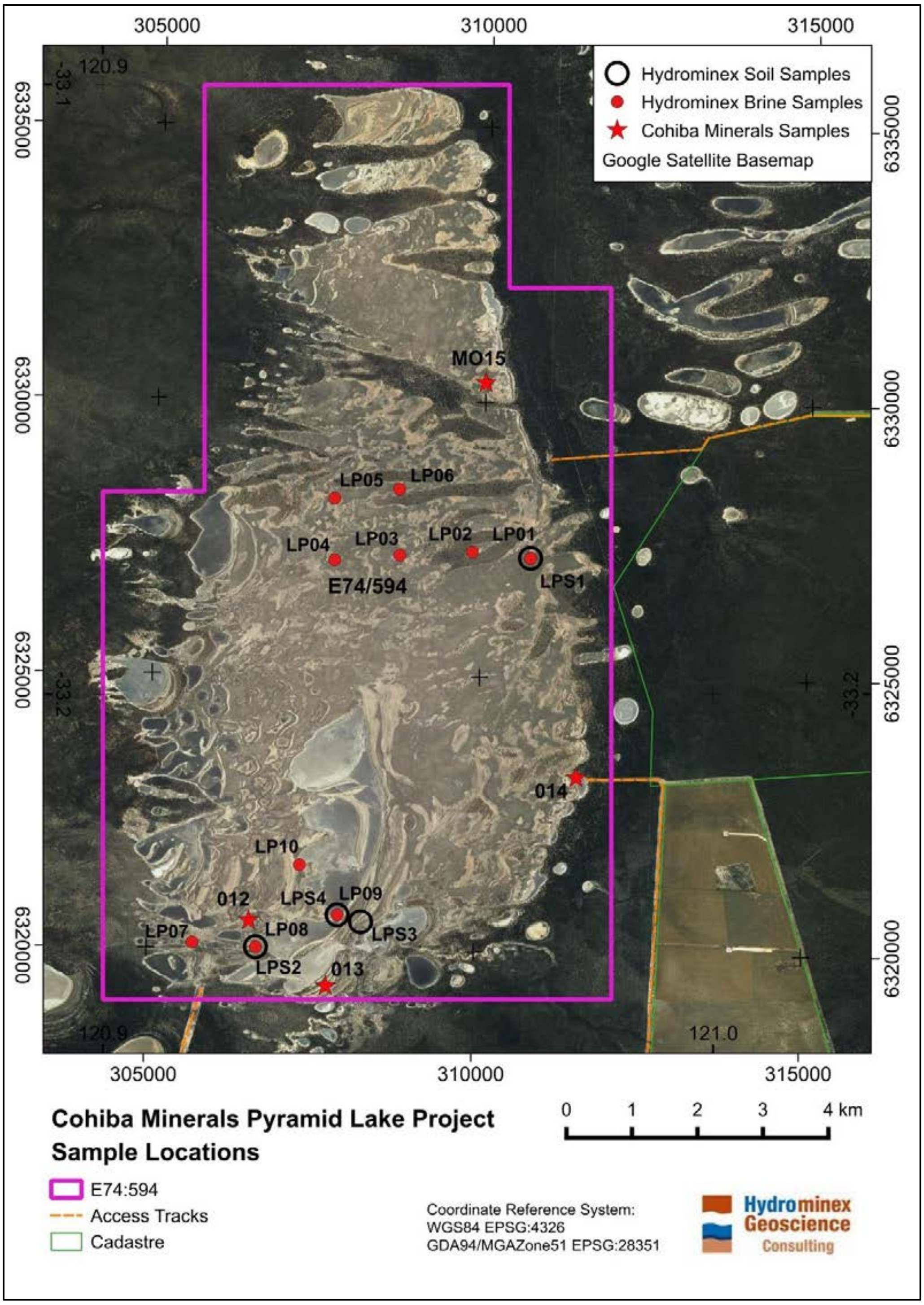


***Figure 2. Location of Pyramid Lake in relation to the existing agricultural gypsum producer in the district.***

The groundwater brine sampled was found to have an insufficient concentration of potassium (averaging 1,200 mg/l potassium) and lithium to justify further evaluation. However, sediment sampling identified high quality gypsum in sand dunes on the property with gypsum contents exceeding 80.6% (the SA/Vic/NSW Grade 1 classification). Table 2 shows results for the four sediment samples taken.

| Primary Assays | Ca% | Cl mg/kg | Na% | S% | Gypsum % | Type |
|---|---|---|---|---|---|---|
| **Grade 1** | >19.0 | - | <0.8% | >15.0 | 80.6 | N/A |
| **LPS1** | 6.95 | 5,517 | ND | 0.07 | 15.15 | Dune |
| **LPS2** | 13.41 | 10,192 | 0.17 | 10.73 | 57.73 | Lake Sediment |
| **LPS3** | **20.33** | **576** | **0.05** | **15.57** | **85.64** | **Dune** |
| **LPS4** | 20.19 | 23,131 | 0.57 | 16.11 | 86.79 | Lake Sediment |
| **AVERAGE** | 15.22 | 9,854 | 0.26 | 10.62 | 61.33 | |

***Table 2. Sediment sample assay results compared to Grade 1 Agricultural Gypsum specifications.***

These initial samples were very encouraging. Results suggest the dune system has the potential to host a significant tonnage of gypsum of agricultural quality, which could be marketed in the surrounding agricultural area. Gypsum is an important agricultural additive, which is used to improve soil structure and is widely used in the wheat belt of Western Australia. The size of the gypsum deposit is uncertain but has the potential to be similar to other regional mines producing gypsum for agricultural use.

Additional sampling (Figure 3) has been carried out in this quarter to define the extent, thickness and quality of gypsum within the dune system (see release on 1 February 2018).


***Figure 3: Proposed follow up samples. Pink dot marks the sample location of LPS3 with 85% Gypsum. Green polygons are other dunes considered to have similar potential for agricultural gypsum. Brown dots are the planned follow program on a 200 m spacing.***

## South Australia Exploration Licences

As announced on 24 January 2018, Cohiba entered into a binding Terms Sheet (**Terms Sheet**) in relation to a proposed farm-in to a joint venture in respect of seven distinct exploration tenements located in South Australia, with a total portfolio licence area of 1094km$^2$ with Olympic Domain Pty Ltd (**ODPL** or **Olympic Domain**), an Australian proprietary company.

The Company further announced on 7 March 2018 that it entered into a Farm-in Agreement (Agreement) providing the Company with the right to acquire up to an 80% interest in the tenements held by Olympic Domain over a period of 3 years and 3 stages.

The ODPL tenements are located within the Stuart Shelf which is host to major Iron Oxide Copper Gold (IOCG) deposits containing large quantities of iron oxides (hematite and magnetite), significant copper, gold, uranium, rare earth elements, and silver.

The region contains (refer Figure 1):

- The Olympic Dam copper -gold -uranium mine;
- The Carrapateena copper -gold prospect; and
- The Mount Gunson copper -silver -cobalt deposits; and
- Prominent Hill copper-gold-silver deposit;
- Several other known IOCG prospects.

All of the tenements are located within either ~50km of:
**BHP's Olympic Dam mine** and **Oz Minerals' Carrapateena project** (JORC resource of 134Mt @ 1.5 % cu, 0.6g/t Au and 6.5g/t Ag[3]).

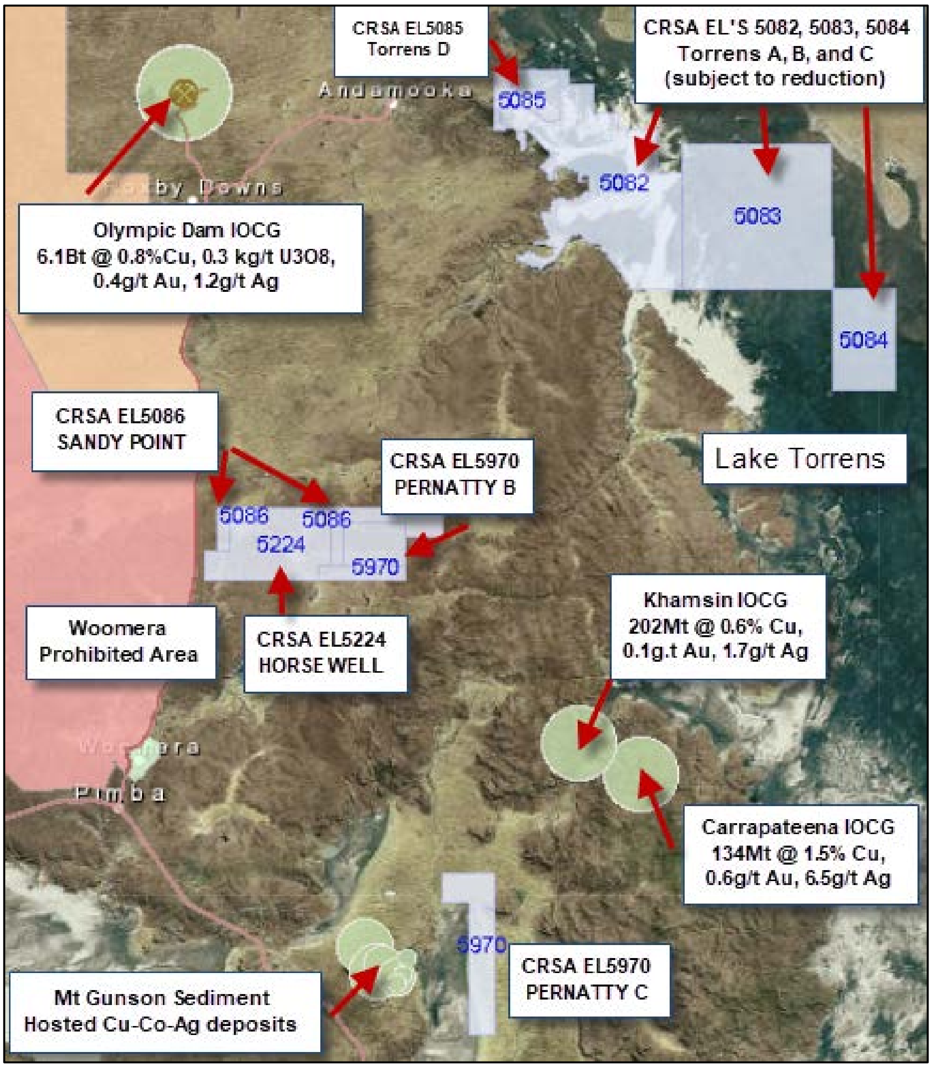


***Figure 5: Project locations and nearby significant deposits***

[3] Source: ASX Announcement of Oz Minerals Limited dated 24 August 2017 titled "Carrapateena Ore Reserve Statement".

**Olympic Domain Project Portfolio:**

| EL Number | Locality | Area Km2 |
|---|---|---|
| EL 5082 | Lake Torrens A (Approx. 50km east of Olympic Dam) | 344 |
| EL 5083 | Lake Torrens B (Approx. 75km east of Olympic Dam) | 355 |
| EL 5084 | Lake Torrens C (Approx. 80km east of Olympic Dam) | 103 |
| EL 5085 | Lake Torrens D (Approx. 15km east of Andamooka) | 25 |
| EL 5086 | Sandy Point (Approx. 55km SSW of Andamooka) | 29 |
| EL 5224 | Horse Well<br>(Chinaman Swamp area, approx. 30km NNE of Woomera) | 118 |
| EL 5970 | Pernatty B and C (Approx. 60km south of Andamooka) | 120 |
| | **Total** | **1,094** |

**OLYMPIC DOMAIN MINERALISATION**

**EL 5082, 5083, 5084, 5085**

A strong discrete residual gravity anomaly was identified within the Lake Torrens B and C tenement, representing a prospective IOCG target in an area where depth to basement is estimated at between 500 and 700m. The Torrens A and B tenements represent prospective IOCG targets marginal to the interpreted Willaroo Lagoon intrusive body. Further, secondary residual gravity anomalies were also identified following an arcuate trend parallel to the eastern contact of the interpreted Willaroo Lagoon intrusive body.

**Pernatty C - EL 5970**

Drillhole PY8 completed by CSR Ltd in 1996, and which is located within EL 5970, intersected a geochemically anomalous zone 14m thick from 552 to 566m downhole, within which a sub-zone carried anomalous copper values above 1000ppm, and a 2m vein containing 8.2% Cu;

- The 9m subzone graded 1.9% Cu and the broad anomalous zone 1.25% Cu;
- Potential to re-examine geology and geophysics targeting Cu-Co mineralisation;
- PY 8 also intersected cobalt mineralisation with a correlation between Cu and Cobalt and Cobalt values to 0.36% and 0.25%.

**Table 1 PY8 Significant intersection**

| Hole ID | Total Depth m | Dip | From m | To m | Width m | Cu % | Co % |
|---|---|---|---|---|---|---|---|
| PY 8 | 574.6 | -90 | 552.3 | 566 | 13.7 | 1.25 | 0.07 |
| | | INCLUDING | 559 | 561 | 2.0 | 8.23 | 0.20 |

**OLYMPIC DOMAIN, the PROPOSED EXPLORATION**

**Torrens A, B and C EL's 5082, 5083, 5084 and 5085:**

The Company intends to progress the required permitting and agreements to fast track drilling on identified gravity targets. It is also currently proposed that a review of 2008 geophysics with further modelling may be carried out.

**Horse Well EL's 5086, 5224 and 5970:**

The Company intends to review and extend a 2009 soil geochemistry program targeting Uranium and other mineralisation.

**Pernatty C, EL 5970:**

The Company intends to carry out a geological review of Copper Cobalt mineralisation potential and plan soil sampling program / drilling to investigate PY 8 Cu-Co mineralisation.

**<u>Charge Lithium Tenement Update</u>**

On 24 April 2017, the Company provided an update in relation to exploration activities carried out on its recently acquired Charge Litihium projects. Preliminary work has begun on the group of tenements collectively titled the Great Southern Group including Pyramid Lake (E74/594), Ravensthorpe (E74/593) and Jerramungup (E70/4861).

**Jerramungup (E70/4861)**

The area is heavily cleared flat lying farmland with intermittent outcrop mostly found within creek systems or float excavated from farm dams or removed from paddocks.

Large scale government mapping indicates no significant potential for the discovery of economic mineralisation within this tenement. This was reflected from the reconnaissance with only exposures of granite and minor mafic (dyke origin) detritus discovered.

The licenses were surrendered during the June 2018 quarter.

**Ferguson Valley (E70/4862)**

The tenement is located north of the town of Donnybrook and east of the coastal city of Bunbury in Western Australia. The area was applied for to explore for lithium bearing pegmatite given the similar stratigraphy and proximity to known lithium bearing pegmatite in the Greenbushes location to the south. Regional mapping at 1:250,000 scale showed a number of pegmatite intrusions orientated in a north-south direction mapped within the area.

No work was conducted on the tenement during the period. The Company is proposing to surrender this tenement.

**Ravensthorpe (E74/593)**

E74/593 lies due south of the town of Ravensthorpe and is surrounded by lithium rich pegmatite in the Mt Cattlin mine as well as reports of high grade lithium found by other junior explorers.

The tenement area is largely covered by dense bush with minor farmland so access was limited to existing roads and tracks or through cleared farmland with permission from the owner. Many of the tracks and roads were impassable due to recent flooding that had destroyed several bridges and roads in the district.

The Company is reviewing its options for future exploration in the area.

**Pilgangoora Central Lithium Project**

Applications for the three tenements comprising the Pilgangoora central lithium project have now been granted. Exploration tenements E45/4767, E45/4768 and E45/4769 are shown in relation to one another and the Pilgangoora pegmatite in Figure 4.

No work was carried out on the tenements during the period.

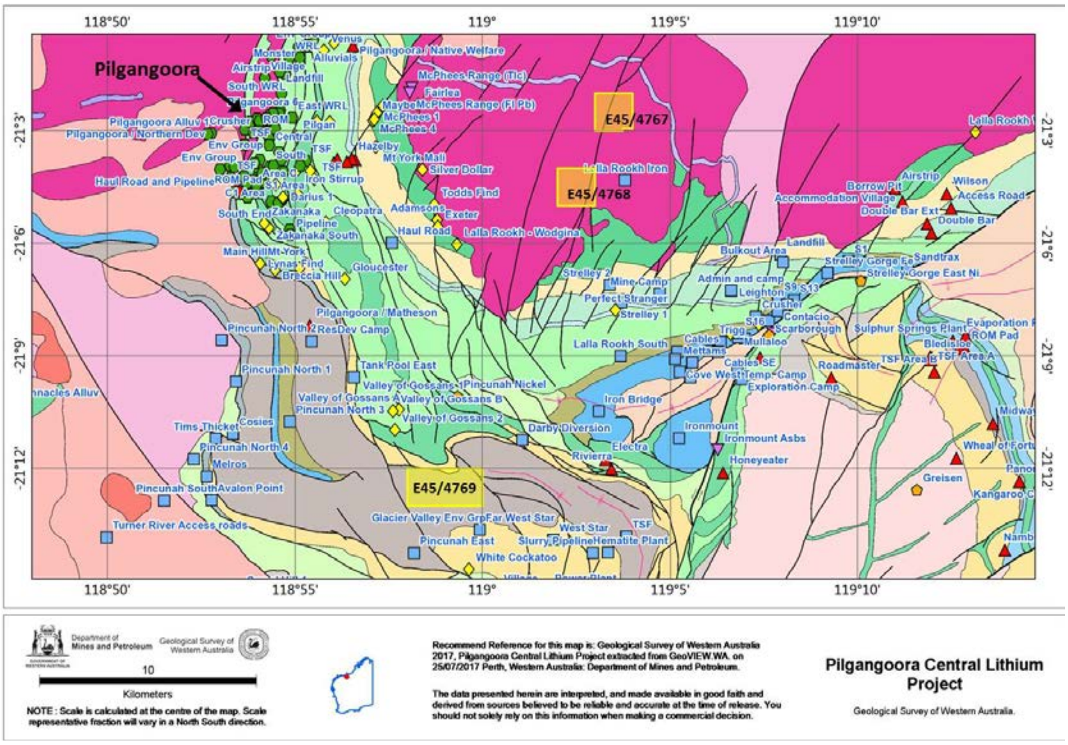


***Figure 4 – Pilgangoora Central Lithium Project area***

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 2018.

## 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 Nachum Labkowski (Non-Executive Director)
Mr David Herzsberg (Non-Executive Director) - resigned 3 May 2018
Dr Robert Beeson (Non-Executive Director) - appointed 3 May 2018

## Principal activities

The principal activity of the Company 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 $1,474,836 (30 June 2017: $924,722).

## Financial performance

Operating expenses of the consolidated entity increased by $559,063 to $1,489,159 (2017: $930,096). This is mainly due to a write off of exploration and evaluation assets of $585,555.

## Financial position

The Company's net positive asset position improved from $2,616,904 to $3,611,695 (an increase of $994,791), which was driven by additions to exploration assets through an asset acquisition of Cobalt X Pty Ltd. Furthermore, the company entered into a Farm-in agreement for a proposed joint venture with Olympic Domain Pty Ltd, an Australian proprietary company that holds South Australian exploration projects.

## Cash flow

Cash reserves of the consolidated entity remained consistent at $1,898,004 (2017: $1,893,843). A net amount of approximately $1.3 million was raised through a share placement during the year, however was offset by increased exploration expenditure and normal operating expenses.

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

On 24 July 2017, the Company advised that it had completed the acquisition of all issued shares in Cobalt X Pty Ltd, as announced to the market on 20 February 2017 (Acquisition). The Company issued 75,000,000 fully paid ordinary shares as consideration, with 50% of the shares issued being escrowed for 12 months from the date of issue.

For further information regarding the Acquisition please refer to the Company's ASX announcements dated 20 February 2017, 27 April 2017 and 26 May 2017. Shareholder approval for the Acquisition was granted at a general meeting of shareholders on 27 June 2017 (General Meeting).

On 26 July 2017, the Company issued 3,500,000 fully paid ordinary shares (Shares) to vendors of Charge Lithium Pty Ltd following the granting of three exploration licences (E45/4767, E45/4768 and E45/4769) in accordance with the Share Sale Agreement executed between the Company and the vendors. This obligation has been recognised within share capital.

On 9 January 2018 the consolidated entity was granted the following 100% owned exploration licences in the Mt Gordon Mine area.
• exploration licence application EPM26377 (Mt Gordon Mine Area 1)
• exploration licence application EPM26376 (Mt Gordon Mine Area 2)
• exploration licence application EPM26380 (Success Mine Area 1)

On 24 January 2018, the consolidated entity announced that it had entered into a Terms Sheet with Olympic Domain Pty Ltd (ODPL) in relation to a proposed joint venture relating to 7 exploration licences located in South Australia. The consolidated entity proposed to Farm-in up to 80% of the project by spending up to $1,500,000 over a two year period.

In January 2018, the consolidated entity completed a placement of 122,000,000 fully paid ordinary shares at an issue price of $0.012 (1.2 cents) per share, to raise approximately $1.46 million before costs. Each placement share is proposed to be issued together with a one for one free attaching listed option, (ASX: CHKO), with an exercise price of $0.018 (1.8 cents) and expiring on or before 18 April 2020.

On 7 March 2018, the consolidated entity announced that it had entered into a Farm-In Agreement with ODPL following completion of due diligence on the projects.

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**
No matter or circumstance has arisen since 30 June 2018 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 financial year, 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 projects areas of interest once they have been acquired or granted to the Consolidated entity.

The Company is always reviewing 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 (appointed Executive Chairman 20 May 2016) |
| 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): | Real Estate Partners USA (ASX: RCU) - resigned 19 April 2017 |
| Special responsibilities: | None |
| Interests in shares: | 19,785,189 fully paid ordinary shares |
| Interests in options: | 2,826,457 CHKO options<br>11,500,000 unlisted options |

| | |
|---|---|
| Name: | Mr David Herzsberg |
| Title: | Non-Executive Director (resigned 3 May 2018) |
| Experience and expertise: | Mr Herszberg has more than 20 years of corporate and management experience. He has served in various positions as President or Director of a number of private companies, both in Australia and the United States. Mr Herszberg has extensive consumer electronics experience and was active in bringing electronic products to Australia. He also has extensive experience in the commercial property market in both developments and investments. |
| Other current directorships: | Bisan Limited (ASX: BSN) - resigned 15 February 2017 |
| Former directorships (last 3 years): | None |
| Special responsibilities: | None |
| Interests in shares: | 4,400,005 fully paid ordinary shares |
| Interests in options: | 4,500,000 unlisted options |

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|---|---|
| Name: | Mr Nachum Labkowski |
| Title: | Non-executive Director |
| Experience and expertise: | Nachum Labowski is the CEO and principal investor in Halevi Enterprises, a private equity firm. Halevi Enterprises with, Mr Labowski's leadership, currently holds equity in over 30 private companies, which invest in real estate worldwide. Mr Lubowski'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: | 5,904,500 fully paid ordinary shares |
| Interests in options: | 843,500 CHKO options<br>8,500,000 unlisted options |

| | |
|---|---|
| Name: | Dr Robert Beeson |
| Title: | Non-Executive Director (appointed 3 May 2018) |
| Experience and expertise: | Dr Robert Beeson (BSc Hons and Ph.D. in geology) has very extensive global experience in the mining industry. He has previously held senior management positions in resource companies, including Managing Director of Drake Resources Limited and Aura Energy Limited. He has a range of experience in project identification, valuation and acquisition, strategy development, and in leading and managing exploration teams. |
| Other current directorships: | Aura Energy Ltd (ASX: AEE) |
| Former directorships (last 3 years): | Drake Resources Ltd (ASX: DRK) - resigned March 2017 |
| Interests in shares: | None |
| Interests in options: | None |

'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*

Mr Mouchacca holds a Bachelor of Business majoring in Accounting. Justin became a Chartered Accountant in 2011 and since July 2013 has been a principal of chartered accounting firm, Leydin Freyer Corp Pty Ltd, specialising in outsourced company secretarial and financial duties. Justin has over 11 years' experience in the accounting profession including 5 years in the Corporate Secretarial professions and is a company secretary and finance officer for a number of entities listed on the Australian Securities Exchange.

## Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each Director were:

| | Full Board | |
|---|---|---|
| | Attended | Held |
| David Herzsberg | 5 | 5 |
| Mordechai Benedikt | 5 | 5 |
| Nachum Labkowski | 5 | 5 |
| Robert Beeson | - | - |

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
- 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 economic profit 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 has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- 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 short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, leadership contribution and product management.

The long-term incentives ('LTI') include share-based payments.

During the 2018 financial year, there were no STI, LTI arrangements, or any bonuses in place.

*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 2017 Annual General Meeting ('AGM')*
At the 2017 AGM, 86.59% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2017. 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 David Herzsberg (Non-Executive Director) - resigned 3 May 2018
- Dr Robert Beeson (Non-Executive Director) - appointed 3 May 2018

| 2018 | Short-term benefits: Cash salary and fees $ | Short-term benefits: Cash bonus $ | Short-term benefits: Non-monetary $ | Post-employment benefits: Super-annuation $ | Long-term benefits: Long service leave $ | Share-based payments: Equity-settled $ | Total $ |
|---|---|---|---|---|---|---|---|
| *Non-Executive Directors:* | | | | | | | |
| David Herzsberg | 40,000 | - | - | - | - | - | 40,000 |
| Nachum Labkowski | 48,000 | - | - | - | - | - | 48,000 |
| Robert Beeson | 7,194 | - | - | 683 | - | - | 7,877 |
| *Executive Directors:* | | | | | | | |
| Mordechai Benedikt | 180,000 | - | - | - | - | - | 180,000 |
| | 275,194 | - | - | 683 | - | - | 275,877 |

| 2017 | Short-term benefits: Cash salary and fees $ | Short-term benefits: Cash bonus $ | Short-term benefits: Non-monetary $ | Post-employment benefits: Super-annuation $ | Long-term benefits: Long service leave $ | Share-based payments: Equity-settled $ | Total $ |
|---|---|---|---|---|---|---|---|
| *Non-Executive Directors:* | | | | | | | |
| David Herzsberg | 48,000 | - | - | - | - | 26,185 | 74,185 |
| Nachum Labkowski | 48,000 | - | - | - | - | 61,099 | 109,099 |
| *Executive Directors:* | | | | | | | |
| Mordechai Benedikt | 180,000 | - | - | - | - | 87,284 | 267,284 |
| *Other Key Management Personnel:* | | | | | | | |
| Justin Mouchacca | 96,000 | - | - | - | - | - | 96,000 |
| | 372,000 | - | - | - | - | 174,568 | 546,568 |

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

| Name | Fixed remuneration 2018 | Fixed remuneration 2017 | At risk - STI 2018 | At risk - STI 2017 | At risk - LTI 2018 | At risk - LTI 2017 |
|---|---|---|---|---|---|---|
| *Directors:* | | | | | | |
| Mordechai Benedikt | 100% | 67% | - | - | - | 33% |
| David Herzsberg | 100% | 65% | - | - | - | 35% |
| Nachum Labkowski | 100% | 44% | - | - | - | 56% |
| Robert Beeson | 100% | - | - | - | - | - |
| *Other Key Management Personnel:* | | | | | | |
| Justin Mouchacca | - | 100% | - | - | - | - |

***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: | Mordichai Benedikt |
| Title: | Executive Chairman |
| Agreement commenced: | 20 May 2016 |
| Term of agreement: | Contract is for a period of 2 years from the commencement date |
| Details: | Mr Benedikt will be remunerated at $180,000 per annum. Mr Benedikt's role as Executive Chairman may be terminated at any time with 3 months' written notice being provided by either the Company or Mr Benedikt. |

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

***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 | Disposals/ other | Balance at the end of the year |
|---|---|---|---|---|---|
| *Ordinary shares* | | | | | |
| Mordechai Benedikt | 19,785,189 | - | - | - | 19,785,189 |
| David Herzsberg* | 4,400,005 | - | - | - | 4,400,005 |
| Nachum Labkowski | 5,904,500 | - | - | - | 5,904,500 |
| | 30,089,694 | - | - | - | 30,089,694 |

* Relates to share holding as at the date of resignation (3 May 2018)

*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 | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|
| *Options over ordinary shares* | | | | | |
| Mordechai Benedikt | 14,326,457 | - | - | - | 14,326,457 |
| David Herzberg* | 4,500,000 | - | - | - | 4,500,000 |
| Nachum Labkowski | 9,343,500 | - | - | - | 9,343,500 |
| | 28,169,957 | - | - | - | 28,169,957 |

* Relates to option holding as at the date of resignation (3 May 2018)

***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 |
|---|---|---|---|
| 17/11/2015 | 17/11/2018 | $0.029 | 4,500,000 |
| 27/05/2016 | 27/05/2019 | $0.029 | 16,167,187 |
| 18/04/2017 – 24/07/2017 | 18/04/2020 | $0.018 | 150,635,367 |
| 19/04/2017 | 17/05/2020 | $0.036 | 20,000,000 |
| 27/06/2017 | 18/04/2020 | $0.018 | 80,000,000 |
| 24/01/2018 | 18/04/2020 | $0.018 | 50,000,000 |
| 16/03/2018 | 18/04/2020 | $0.018 | 134,000,000 |
| | | | 455,302,554 |

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.

All shares under options are fully vested and exercisable.

## Shares issued on the exercise of options

There were no ordinary shares of Cohiba Minerals Limited issued on the exercise of options during the year ended 30 June 2018 and up to the date of this report.

## Indemnity and insurance of officers

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

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company 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 Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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

## Proceedings on behalf of the Company

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

Mordechai Benedikt
Executive Chairman

27 September 2018

**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 2018 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

**N.S. Benbow**
Director

Melbourne, 27 September 2018

**CHARTERED 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 2018**

| | Note | Consolidated 2018 $ | Consolidated 2017 $ |
|---|---|---|---|
| **Revenue** | | | |
| Interest income | | 14,323 | 5,374 |
| **Expenses** | | | |
| Corporate expenses | | (627,727) | (654,096) |
| Employment expenses | | (275,877) | (276,000) |
| Write off of exploration and evaluation | | (585,555) | - |
| **Loss before income tax expense** | | (1,474,836) | (924,722) |
| Income tax expense | | - | - |
| **Loss after income tax expense for the year attributable to the owners of Cohiba Minerals Limited** | | (1,474,836) | (924,722) |
| Other comprehensive income for the year, net of tax | | - | - |
| **Total comprehensive loss for the year attributable to the owners of Cohiba Minerals Limited** | | (1,474,836) | (924,722) |
| | | **Cents** | **Cents** |
| Basic earnings per share | 20 | (0.31) | (0.41) |
| Diluted earnings per share | 20 | (0.31) | (0.41) |

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

| | Note | Consolidated 2018 $ | Consolidated 2017 $ |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 5 | 1,898,004 | 1,893,843 |
| Trade and other receivables | | 134,604 | 13,337 |
| Prepayments | | 15,248 | 14,748 |
| Total current assets | | 2,047,856 | 1,921,928 |
| **Non-current assets** | | | |
| Exploration and evaluation | 6 | 1,734,362 | 772,036 |
| Total non-current assets | | 1,734,362 | 772,036 |
| **Total assets** | | 3,782,218 | 2,693,964 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 7 | 170,523 | 77,060 |
| Total current liabilities | | 170,523 | 77,060 |
| **Total liabilities** | | 170,523 | 77,060 |
| **Net assets** | | 3,611,695 | 2,616,904 |
| **Equity** | | | |
| Issued capital | 8 | 8,552,541 | 6,227,914 |
| Reserves | 9 | 496,081 | 351,081 |
| Accumulated losses | | (5,436,927) | (3,962,091) |
| **Total equity** | | 3,611,695 | 2,616,904 |

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

| **Consolidated** | **Issued capital $** | **Options Reserve $** | **Accumulated losses $** | **Total equity $** |
|---|---|---|---|---|
| Balance at 1 July 2016 | 3,705,649 | 176,513 | (3,037,369) | 844,793 |
| Loss after income tax expense for the year | - | - | (924,722) | (924,722) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive loss for the year | - | - | (924,722) | (924,722) |
| *Transactions with owners in their capacity as owners:* | | | | |
| Contributions of equity, net of transaction costs (note 8) | 1,997,265 | - | - | 1,997,265 |
| Share-based payments (note 21) | - | 174,568 | - | 174,568 |
| Issue of ordinary shares as consideration for acquisition of Charge Lithium, net of transaction costs and tax | 472,500 | - | - | 472,500 |
| Contingent consideration of Charge Lithium acquisition | 52,500 | - | - | 52,500 |
| Balance at 30 June 2017 | 6,227,914 | 351,081 | (3,962,091) | 2,616,904 |

| **Consolidated** | **Issued capital $** | **Options Reserve $** | **Accumulated losses $** | **Total equity $** |
|---|---|---|---|---|
| Balance at 1 July 2017 | 6,227,914 | 351,081 | (3,962,091) | 2,616,904 |
| Loss after income tax expense for the year | - | - | (1,474,836) | (1,474,836) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive loss for the year | - | - | (1,474,836) | (1,474,836) |
| Issue of ordinary shares, net of transaction costs | 2,324,627 | - | - | 2,324,627 |
| Issue of CHKO listed options | - | 145,000 | - | 145,000 |
| Balance at 30 June 2018 | 8,552,541 | 496,081 | (5,436,927) | 3,611,695 |

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

| | Note | Consolidated 2018 $ | Consolidated 2017 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments to suppliers & employees | | (763,659) | (726,539) |
| Interest received | | 14,323 | 5,374 |
| Net cash used in operating activities | 19 | (749,336) | (721,165) |
| **Cash flows from investing activities** | | | |
| Payments for exploration and evaluation assets | | (572,883) | (227,350) |
| Net cash used in investing activities | | (572,883) | (227,350) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | 8 | 1,356,000 | 2,120,302 |
| Payments for capital raising costs | | (114,370) | (123,037) |
| Subscription money received for options yet to be issued | | - | 24,500 |
| Proceeds from issue of listed options | | 84,750 | - |
| Net cash from financing activities | | 1,326,380 | 2,021,765 |
| Net increase in cash and cash equivalents | | 4,161 | 1,073,250 |
| Cash and cash equivalents at the beginning of the financial year | | 1,893,843 | 820,593 |
| Cash and cash equivalents at the end of the financial year | 5 | 1,898,004 | 1,893,843 |

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

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 September 2018. 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.

The Consolidated entity has assessed the potential impact of standards but not yet applicable and determined their application would not have a material impact.

### 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.

### 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 16.

### 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 2018 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'.

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.

## Note 2. Significant accounting policies (continued)

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.

**Revenue recognition**
Revenue is recognised when it is probable that the economic benefit will flow to the Consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

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

**Income tax**
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**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.

Deferred tax assets and liabilities are always classified as non-current.

## Note 2. Significant accounting policies (continued)

### 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 by its sale; or 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.

### Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

### 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### New Accounting Standards and Interpretations not yet mandatory or early adopted
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 2018. The Consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Consolidated entity, are set out below.

*AASB 9 Financial Instruments*
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under 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. The standard introduces additional new disclosures.

The consolidated entity will adopt this standard from 1 July 2018 and the impact of its adoption has been assessed as follows. The consolidated entity's financial instruments consist of cash and cash equivalents, trade and other receivables, and trade and other payables. These will continue to be measured at amortised cost. In relation to impairment requirements, using the ECL is not expected to change the determination of allowances. The Board believes adoption of this standard will not have a significant impact to the financial statements.

## Note 2. Significant accounting policies (continued)

*AASB 15 Revenue from Contracts with Customers*
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer.

The consolidated entity will adopt this standard from 1 July 2018, however does not expect the impact to be significant as the only revenue source is interest income. Interest income does not arise from a contract with a customer

*AASB 16 Leases*
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity will adopt this standard from 1 July 2019, however does not expect the impact to be significant as the consolidated entity is not party to any operating lease arrangements.

## 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.

## 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. 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. Refer to note 22 for further details.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*
The Consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated entity 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.

*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.

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 Stage 1 of the Arrangement, whereby the Company will be entitled to a 30% interest to that Joint Venture. Stage 1, which requires total verified expenditure on tenements (held by Olympic Domain Pty Ltd) of $500,000 within 12 months from the date of signing the Arrangement is yet to be completed.

Notwithstanding this, exploration and evaluation expenditure made for the purposes of the Arrangement, as set out in Note 6, has been assessed as being able to be capitalised under the Company’s accounting policy for such expenditure, as an option exists to potentially control those tenements should further stages (Stage 2 and Stage 3) be fulfilled of the Arrangement (through the Joint Venture).

*Business combinations*
On 24 July 2017, the Company completed the acquisition of the Cobalt X Pty Ltd (Cobalt X). The directors have assessed that this was an asset acquisition, and not a business combination as they assessed that Cobalt X lacked the necessary inputs, outputs and processes relevant to meeting the accounting definition of a business. For further details of the acquisition and consideration paid refer to Note 6.

## Note 4. Income tax expense

| | Consolidated 2018 $ | Consolidated 2017 $ |
|---|---|---|
| *Numerical reconciliation of income tax expense and tax at the statutory rate* | | |
| Loss before income tax expense | (1,474,836) | (924,722) |
| | | |
| Tax at the statutory tax rate of 27.5% | (405,580) | (254,299) |
| | | |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Impairment of assets | 88,000 | - |
| Share-based payments | 16,500 | 52,370 |
| Current year tax losses not recognised | 334,491 | 304,534 |
| Other non-deductible items | 136 | 749 |
| Amounts not brought to account as a Deferred Tax Asset in the current year | (33,547) | (88,530) |
| Other amounts | - | (14,824) |
| | | |
| Income tax expense | - | - |

| | Consolidated 2018 $ | Consolidated 2017 $ |
|---|---|---|
| *Tax losses not recognised* | | |
| Unused tax losses for which no deferred tax asset has been recognised (Australia) - Current year | 4,943,825 | 3,749,154 |
| | | |
| Potential tax benefit @ 27.5% | 1,359,552 | 1,031,017 |

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed or, failing that, the same business test is passed.

The taxation benefits of tax losses and temporary difference not brought to account will only be obtained if:

(i) the entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
(ii) the entity continues to comply with the conditions for deductibility imposed by law; and
(iii) no change in tax legislation adversely affects the entity in realising the benefits from deducting the losses.

## Note 5. Current assets - cash and cash equivalents

| | Consolidated 2018 $ | Consolidated 2017 $ |
|---|---|---|
| Cash at bank | 1,898,004 | 1,893,843 |

*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 6. Non-current assets - exploration and evaluation

| | Consolidated | |
|---|---|---|
| | **2018** | **2017** |
| | **$** | **$** |
| Exploration and evaluation assets | 1,734,362 | 772,036 |

*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 2016 | - | - |
| Expenditure during the year | 21,444 | 21,444 |
| Additions through asset acquisitions | 750,592 | 750,592 |
| Balance at 30 June 2017 | 772,036 | 772,036 |
| Expenditure during the year | 342,394 | 342,394 |
| Additions through asset acquisitions | 975,000 | 975,000 |
| Additions through Farm-in agreements | 230,487 | 230,487 |
| Write off of assets | (585,555) | (585,555) |
| Balance at 30 June 2018 | 1,734,362 | 1,734,362 |

On 24 July 2017, the Company completed the acquisition of the Cobalt X Pty Ltd (Cobalt X), following receipt of shareholder approval, which was received in June 2017. A total of 75,000,000 fully paid ordinary shares were issued, along with 80,000,000 facilitation options.

Cobalt X was the holder of the following exploration licences:
- exploration licence EPM26377 (Mt Gordon Mine Area 1)
- exploration licence EPM26376 (Mt Gordon Mine Area 2)
- exploration licence EPM26380 (Success Mine Area 1)
- exploration licence EPM26379 (Mt Cobalt Mine Area)

The Company has been granted a waiver from ASX, as announced on 26 May 2017, in relation to the issue of deferred consideration for the acquisition of Cobalt X on the following conditions:
- The Company issue 37,500,000 Milestone Shares to the vendors no later than ten business days after the Company announcing to ASX an inferred mineral resource in accordance with the JORC Code of not less than 6,000 tonnes of material at a minimum grade of 0.6% on the Mt Cobalt Stockpile Project prior to the date which is 12 months from grant of the mining licence MLA 100115.
- The Company issues 37,500,000 Milestone Shares no later than ten business days after the Company announces to ASX that the first ore has been processed at the Lady Jenny Processing Plant (which milestone shall necessarily require that Cobalt X has entered into a binding agreement to acquire the rights to the Lady Jenny Processing Plant) provided that the announcement must be made prior to 20 February 2020.
- The issues of all Milestone Shares are in any event completed not later than 3 years following the date of the meeting.

As at the date of this report no milestones have been met, and no shares have been issued in relation to the ASX waiver noted above; as a consequence, no provision has been recognised in these financial statements in respect of the deferred consideration.

## Note 6. Non-current assets - exploration and evaluation (continued)

The acquisition is not considered a business combination as defined in AASB 3 as Cobalt X was not considered to be carrying on a business. As such the acquisition has been treated as an asset acquisition with the fair value of the asset being the consideration.

On 7 March 2018 the Company entered into a Farm-In agreement with Olympic Domain Pty Ltd (Olympic Domain) for a proposed joint venture in respect of seven distinct exploration tenements located in South Australia.

During the year ending 30 June 2018, the consolidated entity has carried out a review of the carrying amount of exploration and evaluation assets and recorded an impairment charge of $585,555.

This was a result of exploration licence ML100115 not being granted and also the relinquishment of the following exploration licences:

- E70/4861
- E70/4862
- E74/593

*Accounting policy for exploration and evaluation assets*
The acquisition of exploration rights (including transaction costs) are capitalised and measured at cost.

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

## Note 7. Current liabilities - trade and other payables

| | Consolidated | |
|---|---|---|
| | **2018** | **2017** |
| | **$** | **$** |
| Trade payables | 15,946 | 32,560 |
| Accrued expenses | 154,577 | 44,500 |
| | 170,523 | 77,060 |

Refer to note 11 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 8. Equity - issued capital

| | Consolidated | | | |
|---|---|---|---|---|
| | **2018 Shares** | **2017 Shares** | **2018 $** | **2017 $** |
| Ordinary shares - fully paid | 557,947,574 | 357,447,574 | 8,552,541 | 6,227,914 |

## Note 8. Equity - issued capital (continued)

*Movements in ordinary share capital*

| Details | Date | Shares | Issue price | $ |
|---|---|---|---|---|
| Balance | 1 July 2016 | 164,509,373 | | 3,705,649 |
| Rights issue | 16 September 2016 | 10,802,834 | $0.015 | 162,043 |
| Issue of ordinary shares as consideration for acquisition of Charge Lithium | 9 November 2016 | 17,500,000 | $0.015 | 262,500 |
| Issue of ordinary shares as consideration for the grant of the Pyramid Lake Lithium Brine Project | 9 November 2016 | 3,500,000 | $0.015 | 52,500 |
| Issue of ordinary shares as consideration for grant of the Big Galaxy Project and Greenbushes North Lithium Project | 9 December 2016 | 7,000,000 | $0.015 | 105,000 |
| Contingent consideration payable upon the grant of the Mt Cattlin Central Lithium Project | 3 February 2017 | 3,500,000 | - | 52,500 |
| Placement Tranche 1 | 23 February 2017 | 31,000,000 | $0.013 | 403,000 |
| Rights issue shares | 18 April 2017 | 39,635,367 | $0.013 | 515,260 |
| Placement Tranche 2 | 27 April 2017 | 80,000,000 | $0.013 | 1,040,000 |
| Contingent consideration payable upon the grant of the Pilgangoora Central Lithium Project* | 30 June 2017 | - | - | 52,500 |
| Less: capital raising costs | | - | - | (123,038) |
| Balance | 30 June 2017 | 357,447,574 | - | 6,227,914 |
| Issue of ordinary shares as consideration for acquisition of Cobalt X | 24 July 2017 | 75,000,000 | $0.013 | 975,000 |
| Issue of ordinary shares pursuant to the terms of the Charge Lithium acquisition* | 2 August 2017 | 3,500,000 | - | - |
| Share placement** | 24 January 2018 | 122,000,000 | $0.012 | 1,464,000 |
| Less: capital raising costs | | - | - | (114,373) |
| Balance | 30 June 2018 | 557,947,574 | | 8,552,541 |

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

## Note 8. Equity - issued capital (continued)

*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.

* License of Pilangoora Central Lithium Project was granted on 26 July 2017, deferred consideration was provided and treated as equity as at 30 June 2017 as the likelihood of the licence being granted was considered certain by the Directors. The ordinary shares were issued on 2 August 2017

** In January 2018, the consolidated entity completed a placement of 122,000,000 fully paid ordinary shares at an issue price of $0.012 (1.2 cents) per share, to raise approximately $1.46 million before costs. Each placement share is proposed to be issued together with a one for one free attaching listed option, (ASX: CHKO), with an exercise price of $0.018 (1.8 cents) and expiring on or before 18 April 2020.

## Note 9. Equity - reserves

| | Consolidated | |
|---|---|---|
| | **2018** | **2017** |
| | **$** | **$** |
| Options reserve | 496,081 | 351,081 |

*Accounting Policy*
Options reserve
The reserve is used to recognise:
- the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services; and
- the value of proceeds received from issue of listed options.

*Movements in reserves*
Movements in each class of reserve during the current and previous financial year are set out below:

| **Consolidated** | Options Reserve $ | Total $ |
|---|---|---|
| Balance at 1 July 2016 | 176,513 | 176,513 |
| Grant of options | 174,568 | 174,568 |
| Balance at 30 June 2017 | 351,081 | 351,081 |
| Issue of CHKO listed options | 145,000 | 145,000 |
| Balance at 30 June 2018 | 496,081 | 496,081 |

## Note 10. Equity - dividends

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

## Note 11. Financial instruments

***Financial risk management objectives***
The Consolidated entity's activities expose it to financial risks such as 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 Company. The Company 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.

## Note 11. Financial instruments (continued)

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

***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 Company's short, medium and long-term funding and liquidity management requirements. The Company 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 Company did not have any undrawn facilities at its disposal as at reporting date. Vigilant liquidity risk management requires the Company 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.

*Remaining contractual maturities*
All financial liabilities are expected to be settled within 1 years.

The following tables detail the Consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| **Consolidated - 2018** | Weighted average interest rate % | 1 year or less $ | Between 1 and 2 years $ | Between 2 and 5 years $ | Over 5 years $ | Remaining contractual maturities $ |
|---|---|---|---|---|---|---|
| **Non-derivatives** | | | | | | |
| *Non-interest bearing* | | | | | | |
| Trade payables | - | 15,946 | - | - | - | 15,946 |
| Other payables | - | 169,577 | - | - | - | 169,577 |
| Total non-derivatives | | 185,523 | - | - | - | 185,523 |

| **Consolidated - 2017** | Weighted average interest rate % | 1 year or less $ | Between 1 and 2 years $ | Between 2 and 5 years $ | Over 5 years $ | Remaining contractual maturities $ |
|---|---|---|---|---|---|---|
| **Non-derivatives** | | | | | | |
| *Non-interest bearing* | | | | | | |
| Trade payables | - | 32,560 | - | - | - | 32,560 |
| Other payables | - | 44,500 | - | - | - | 44,500 |
| Total non-derivatives | | 77,060 | - | - | - | 77,060 |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

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

## Note 12. Key management personnel disclosures

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

| | |
|---|---|
| Mr Mordechai Benedikt | Executive Chairman |
| Mr David Herzsberg | Non-Executive Director (resigned 3 May 2018) |
| Mr Nachum Labkowski | Non-Executive Director |
| Dr Robert Beeson | Non-Executive Director (appointed 3 May 2018) |

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

| | Consolidated | |
|---|---|---|
| | **2018** **$** | **2017** **$** |
| Short-term employee benefits | 275,194 | 372,000 |
| Post-employment benefits | 683 | - |
| Share-based payments | - | 174,568 |
| | 275,877 | 546,568 |

## Note 13. 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 | |
|---|---|---|
| | **2018** **$** | **2017** **$** |
| *Audit services - William Buck* | | |
| Audit or review of the financial statements | 27,000 | 26,500 |

## Note 14. 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 company'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 company wish to preserve interest in its current tenements the amount which may be required to be expended is as follows:

| | Consolidated | |
|---|---|---|
| | **2018** **$** | **2017** **$** |
| *Planned Exploration Expenditure* | | |
| Within one year | 160,600 | 305,082 |
| One to five years | 211,500 | 1,091,475 |
| Total commitment | 372,100 | 1,396,557 |

## Note 14. Commitments (continued)

*Olympic Domain Farm-in Agreement*

During the 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;

- 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.

In the event that the Company does not incur the Minimum Expenditure, subject to the circumstances in which it may be relieved of its obligations as noted in the Farm-in Agreement, the Company must pay an amount of $300,000 to Olympic Domain. This sum is payable (at the Company's election) in cash, shares, or a combination of shares and cash. If shareholder approval is required for the issue of shares Company has agreed to endeavour to obtain that approval in an expedient manner.

## Note 15. Related party transactions

*Subsidiaries*
Interests in subsidiaries are set out in note 17.

*Key management personnel*
Disclosures relating to key management personnel are set out in note 12 and the remuneration report included in the Directors' report.

*Receivable from and payable to related parties*
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

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

## Note 16. Parent entity information

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

*Statement of profit or loss and other comprehensive income*

| | Parent | |
|---|---|---|
| | **2018** | **2017** |
| | **$** | **$** |
| Loss after income tax | (1,742,098) | (924,722) |
| Total comprehensive loss | (1,742,098) | (924,722) |

## Note 16. Parent entity information (continued)

*Statement of financial position*

| | Parent 2018 $ | Parent 2017 $ |
|---|---|---|
| Total current assets | 2,047,854 | 1,943,372 |
| Total assets | 3,438,798 | 2,693,964 |
| Total current liabilities | 94,365 | 77,060 |
| Total liabilities | 94,365 | 77,060 |
| Equity | | |
| Issued capital | 8,552,541 | 6,227,914 |
| Options reserve | 496,081 | 351,081 |
| Accumulated losses | (5,704,189) | (3,962,091) |
| Total equity | 3,344,433 | 2,616,904 |

*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 2018.

*Contingent liabilities*
The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

*Capital commitments - Property, plant and equipment*
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018 and 30 June 2017.

## Note 17. 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 2018 % | Ownership interest 2017 % |
|---|---|---|---|
| Charge Lithium Pty Ltd | Australia | 100% | 100% |
| Cobalt X Pty Ltd* | Australia | 100% | - |

* Acquired on 24 July 2017

## Note 18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 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 19. Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated | |
|---|---|---|
| | 2018 $ | 2017 $ |
| Loss after income tax expense for the year | (1,474,836) | (924,722) |
| Adjustments for: | | |
| Share-based payments | 60,000 | 174,568 |
| Write off of exploration and evaluation | 585,555 | - |
| Change in operating assets and liabilities: | | |
| Decrease/ (increase) in prepayments | (500) | (1,093) |
| Decrease/ (increase) in trade and other receivables | (13,017) | 15,666 |
| Increase/ (decrease) in trade and other payables | 93,462 | 14,416 |
| Net cash used in operating activities | (749,336) | (721,165) |

## Note 20. Loss per share

| | Consolidated | |
|---|---|---|
| | 2018 $ | 2017 $ |
| Loss after income tax attributable to the owners of Cohiba Minerals Limited | (1,474,836) | (924,722) |
| | **Number** | **Number** |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 483,176,341 | 224,981,245 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 483,176,341 | 224,981,245 |
| | **Cents** | **Cents** |
| Basic earnings per share | (0.31) | (0.41) |
| Diluted earnings per share | (0.31) | (0.41) |

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.

The rights to options held by option holders have not 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 has generated a loss for the year.

## Note 21. Share-based payments

On 16 March 2018, the company granted 12,000,000 listed options (ASX: CHKO) to a consultant of the company in relation to services provided to the company.

Set out below are summaries of options granted under the plan:

2018

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | 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 |
| | | | 20,000,000 | 12,000,000 | - | - | 32,000,000 |

2017

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| 19/04/2017 | 17/05/2020 | $0.036 | - | 20,000,000 | - | - | 20,000,000 |
| | | | - | 20,000,000 | - | - | 20,000,000 |

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

| Grant date | Expiry date | 2018 Number | 2017 Number |
|---|---|---|---|
| 17/11/2015 | 17/11/2018 | 4,500,000 | 4,500,000 |
| 19/05/2016 | 19/05/2019 | 8,000,000 | 8,000,000 |
| 19/04/2017 | 19/04/2020 | 20,000,000 | 20,000,000 |
| 16/03/2018 | 18/04/2020 | 12,000,000 | - |
| | | 44,500,000 | 32,500,000 |

*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 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.

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 2018 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

Mordechai Benedikt
Executive Chairman

27 September 2018

William Buck

# 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 (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of 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 2018 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* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

**CHARTERED ACCOUNTANTS & ADVISORS**
Level 20, 181 William Street
Melbourne VIC 3000
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**williambuck.com**

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

## 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.

<table>
<tr><th colspan="2">ACQUISITION OF COBALT X</th></tr>
<tr><th>Area of focus<br>Refer also to notes 3 and 6</th><th>How our audit addressed it</th></tr>
<tr><td>On 24 July 2017, the Group completed the acquisition of Cobalt X Pty Ltd (Cobalt X). Consideration paid for the acquisition included:<br>— The issue of 75m fully paid ordinary shares;<br>— A further 75m fully paid ordinary shares, to be issued open the achievement of performance milestones; and<br>— The issue of 80m facilitation options.<br>Accounting for this transaction includes some significant accounting judgments, which have been tabled in the Critical Accounting Estimates and Judgments section of the financial report, namely:<br>— The acquisition is an asset acquisition of which the acquiree does not qualify the definition of a business which would require business combinations accounting;<br>— The payment of the first tranche of 75m shares has been valued at the prevailing spot price of the Group's share price as at acquisition date;<br>— The second tranche of 75m shares to be paid for the acquisition are contingent upon milestones being met, and until they are met, do not qualify the recognition criteria for capitalising into an exploration and evaluation asset (nor for a share-based payment reserve); and<br>— The facilitation options are a transaction cost and have been expensed to the profit or loss.</td><td>Our audit procedures included:<br>— Examining the legal documentation associated with the purchase to understand the key terms and conditions of the acquisition in order to agree with the Directors' assessment that the acquisition is an asset acquisition and not a business combination;<br>— Considering the requirements of Australian Accounting Standards to determine the appropriate accounting treatment of the initial purchase consideration and the deferred contingent consideration; and<br>— Tracing purchase consideration to the issue of shares for the first 75m tranche and their fair valuation as at the acquisition date;<br>— Assessing the Group's treatment of the final tranche of the deferred contingent consideration and of the accompanying transaction costs relating to the acquisition.<br>We also assessed the adequacy of the Group's disclosures in respect of the asset acquisition.</td></tr>
</table>

| CARRYING VALUE AND CAPITALISATION OF EXPLORATION AND EVALUATION ASSETS | |
|---|---|
| **Area of focus**<br>**Refer to note 6** | **How our audit addressed it** |
| The Group has incurred exploration and evaluation costs for exploration projects in Australia over a number of years, including, this year the acquisition of tenements held by Cobalt X as noted above.<br><br>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).<br><br>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.<br><br>During the year the Group impaired $585,555 on projects where the underlying tenement was expected to be relinquished. | In order to meet this risk, our audit procedures included the following:<br>— 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;<br>— 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;<br>— Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest; and<br>— From a overall perspective, comparing the market capitalization 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.<br><br>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. |

## 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 2018, 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

William Buck

# 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 2018.

In our opinion, the Remuneration Report of Cohiba Minerals Limited for the year ended 30 June 2018 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

**N.S. Benbow**
Director

Melbourne, 27 September 2018

The shareholder information set out below was applicable as at 24 September 2018.

**Distribution of equitable securities**
Analysis of number of equitable security holders by size of holding:

| | Number of holders of ordinary shares | Number of options over ordinary shares (CHKO) |
|---|---|---|
| 1 to 1,000 | 126 | 21 |
| 1,001 to 5,000 | 8 | 28 |
| 5,001 to 10,000 | 1 | 18 |
| 10,001 to 100,000 | 195 | 135 |
| 100,001 and over | 389 | 172 |
| | 719 | 374 |
| Holding less than a marketable parcel | 269 | |

**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 |
|---|---|---|
| Jamora Nominees Pty Ltd | 27,876,550 | 5.00 |
| Jascot Rise Pty Ltd | 18,048,340 | 3.23 |
| Vermar Pty Ltd | 17,410,519 | 3.12 |
| Sl Investors Pty Ltd | 17,346,366 | 3.11 |
| Kushkush Investments Pty Ltd | 16,861,253 | 3.02 |
| Gefen Investments Pty Ltd | 14,563,940 | 2.61 |
| M + T K Pty Ltd | 14,500,653 | 2.60 |
| Ferguson Superannuation | 12,000,000 | 2.15 |
| Mr Salvatore Di Vincenzo | 10,659,600 | 1.91 |
| BNP Paribas Nominees Pty Ltd | 10,421,707 | 1.87 |
| Polarity B Pty Ltd | 9,911,388 | 1.78 |
| BD Penfold Pty Ltd | 9,714,079 | 1.74 |
| IBH Capital LLC | 9,000,000 | 1.61 |
| Tyrrhenian Holdings Pty Ltd | 8,333,333 | 1.49 |
| Swift Global Ltd | 7,636,194 | 1.37 |
| Mr Shimshon Heller | 7,425,101 | 1.33 |
| Sunset Capital Management Pty Ltd | 6,666,667 | 1.19 |
| Mr Dobrivoj Kolundzija | 6,548,270 | 1.17 |
| Mr Nachum Labkowski | 5,904,500 | 1.06 |
| Benison Holdings Pty Ltd | 5,842,204 | 1.05 |
| | 236,670,664 | 42.41 |

| | Options over ordinary shares | Options over ordinary shares % of total options |
|---|---|---|
| Mr Peter Andrew Proksa | 37,007,693 | 8.93% |
| Mr David Fagan | 32,000,000 | 7.72% |
| Gefen Investments Pty Ltd | 21,038,462 | 5.07% |
| IBH Capital | 20,600,000 | 4.97% |
| Tornado Nominees Pty Ltd | 20,041,667 | 4.83% |
| First Investment Partners | 18,304,417 | 4.41% |
| Kushkush Investment Pty | 16,333,334 | 3.94% |
| SL Investors Pty Ltd | 14,692,308 | 3.54% |
| Tyrrhenian Holdings Pty Ltd | 14,583,333 | 3.52% |
| Mrs Danche Simens | 13,517,509 | 3.26% |
| Advent Management Pty Ltd | 13,000,000 | 3.14% |
| BD Penfold Pty Ltd | 9,265,384 | 2.23% |
| Benison Holdings Pty Ltd | 7,425,543 | 1.79% |
| Ms Sihol Marito Gultom | 7,004,693 | 1.69% |
| Celtic Capital Pty Ltd | 6,666,667 | 1.61% |
| Regency Corporate Pty Ltd | 6,250,000 | 1.51% |
| Mr Dragoslav Jevtic | 6,000,000 | 1.45% |
| M + T K Pty Ltd | 5,500,000 | 1.33% |
| Firebird Minerals Pty Ltd | 5,384,615 | 1.30% |
| Traditional Securities Group | 4,166,667 | 1.00% |
| | 278,782,292 | 67.24% |

*Unquoted equity securities*

| | Number on issue | Number of holders |
|---|---|---|
| Options over ordinary shares issued | 40,667,187 | 15 |

**Substantial holders**
The Company has not received any substantial shareholder notices as at the date of this report.

**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 (WA) | E45/4767 | 100.00 |
| Exploration Licence (WA) | E45/4768 | 100.00 |
| Exploration Licence (WA) | E45/4769 | 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 |