



## **2019 ANNUAL REPORT**

# **COMET RESOURCES LIMITED**

and its

**CONTROLLED ENTITIES**

**ABN 88 060 628 202**

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**COMET RESOURCES LTD**  
**and its Controlled Entities**  
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# CORPORATE DIRECTORY

## **Directors**

HP Halliday  
D Prentice  
A Molyneux

## **Company Secretary**

S Cheema

## **Registered Office & Principal Place of Business**

Suite 9  
330 Churchill Avenue  
SUBIACO WA 6008  
Telephone: 61 8 6489 1600

## **Share Registry**

Advanced Share Registry Limited  
110 Stirling Highway  
NEDLANDS WA 6009  
Telephone: 61 8 9389 8033  
Facsimile: 61 8 9262 3723

## **Auditors**

Stantons International  
Level 2  
1 Walker Avenue  
WEST PERTH WA 6005

## **Stock Exchange Listing**

The Company is listed on the Australian Securities Exchange Limited

Home Exchange: Perth

ASX Code: CRL

**Web Page** [www.cometres.com.au](http://www.cometres.com.au)

**COMET RESOURCES LTD  
and its Controlled Entities  
CHAIRMAN'S REPORT**

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29<sup>th</sup> September 2019

Dear Shareholders,

I am pleased to present the Comet Resources (Comet or the Company) Annual Report for the 2019 financial year (FY19).

Comet's strategic focus is clearly defined, designed to deliver shareholder value by advancing the high-grade Springdale Graphite Project in southern West Australia to the next stage of development.

During the year, the Company initiated key changes to strengthen the Board and Management team to advance the Company's strategy. We welcomed Alexander Molyneux and David Prentice to the board as Non-Executive Directors, and Philippa Leggat as Chief Executive Officer.

Great strides were taken towards delivering the strategy over the course of the year. A maiden Inferred Resource of 15.6Mt at 6.0% TGC, including a high-grade component of 2.6Mt @17.5% TGC<sup>1</sup> was released for Springdale (ASX Dec 2018). This was followed by the discovery of two new high-grade zones of graphite outside the existing resource.

Following Philippa Leggat's appointment, Comet undertook a strategic marketing campaign to raise awareness of the Company's plans. The campaign generated strong interest in the story, enabling Comet to successfully raise \$1.125 million (ASX July 2019) by way of a placement to new and existing sophisticated investors. The raising price represented a discount of less than 4% to the previous day's closing price.

The capital is designed to be used across three areas which are seen as key to delivering value at Springdale; drilling to target high-grade graphite, metallurgical testwork on core generated from drilling and developing relationships with potential offtake partners.

Exploration commenced in August with an aerial electromagnetic survey and diamond drilling campaign, with results anticipated from October 2019 onwards. A variety of metallurgical testwork programs are planned in Australia and Europe, with results expected to flow from November 2019 into 2020.

The Directors are excited with progress made to date and look forward to the results of the FY20 exploration work programmes.

I thank Tony Cooper for his work in delivering a sound technical base for the Springdale Project, new and outgoing directors, our team of staff, advisers and contractors for their commitment in delivering Comet's objectives over FY19.

The strength of our experienced team stands us in good stead to generate value for shareholders as we advance the high-grade Springdale Graphite Project with much to look forward to over the coming year.

Yours faithfully,



**H Halliday  
Chairman**

**COMET RESOURCES LTD  
and its Controlled Entities  
DIRECTORS' REPORT**

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The directors present their report together with the consolidated financial report of Comet Resources Limited ("Comet" or "the Group") and its controlled entities for the year ended 30 June 2019 and the auditor's report thereon.

## **Directors**

The directors of the Company at any time during or since the end of the financial year are:

**Mr Hamish Peter Halliday** BSc (Geology), MAusIMM, **(Non-Executive Chairman)**

Director since 16 December 2014.

Mr Halliday founded Adamus Resources Limited and grew that Company to a multi-million-ounce emerging gold producer. Mr Halliday also co-founded Gryphon Minerals Limited and Venture Minerals Ltd, both highly successful junior explorers.

Mr Halliday is a Director of Blackstone Minerals Ltd, Alicanto Minerals Ltd, McTavish Industries Pty Ltd and Venture Minerals Ltd. He previously resigned from Renaissance Minerals Limited on 26 September 2016.

No other Directorships in listed companies in the last three years.

**Mr Alex Molyneux** BEc, **(Non-Executive Director)**

Director since 15 February 2019.

Mr Molyneux was CEO of Paladin Energy Limited (ASX: PDN) (2015 – 2018) one of the world's largest uranium companies, where he optimized its operating business and completed a US\$700M successful recapitalisation of the company and a re-listing on the ASX. Prior to that, Alex spent approximately five years with Ivanhoe Mines Group and Ivanhoe Energy in various leadership capacities including as CEO and Director of SouthGobi Resources Ltd. (TSX: SGQ) (2009 – 2012).

Mr Molyneux is currently Managing Director of Galena Mining (ASX: G1A) and serves on a number of public company boards, including: Argosy Minerals Ltd. (ASX: AGY), Metalla Royalty & Streaming Ltd. (TSX-V: MTA), Tempus Resources Ltd. (ASX: TMR), Australian Nutrition & Sports Ltd (ASX:AN1), Northern Territories Pty Ltd and Azarga Metals Corp. (TSX-V: AZR).

**Mr David Prentice** Grad. Dip BA, MBA, **(Non-Executive Director)**

Director since 11 October 2018.

Mr Prentice is a senior resources executive with 25 plus years domestic and international experience. Mr Prentice started his career working in commercial and business development roles within the resources sector working for some of Australia's most successful gold and nickel exploration and production companies. During the last 12 years, Mr Prentice has gained international oil and gas exploration and production sector experience (with a specific focus on the Mid-Continent region of the United States) working in both executive and non-executive director roles with Australian publicly traded companies.

Mr Prentice is currently Managing Director of Brookside Energy (ASX: BRK), a Non-Executive Director of Black Mesa Production LLC, Non-Executive Chairman of Lustrum Minerals Limited (ASX: LRM).

No other Directorships in listed companies in the last three years.

**Mr Edmund Czechowski** FCPA, **(Non-Executive Director)** (Resigned 11 October 2018)

**Mr Robert (ROJ) Oswald Jones** BSc (Joint Hons), FAusIMM, **(Non-Executive Chairman)** (Resigned 11 October 2018)

**Mr Anthony (Tony) Roy Cooper** B.AppSc (Geol), MAusIMM, **(Managing Director)** (Resigned 30 April 2019)

**COMET RESOURCES LTD  
and its Controlled Entities  
DIRECTORS' REPORT (CONT'D)**

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**Mr Sonu Cheema (Company Secretary)**

Company Secretary since 22 May 2018.

Mr Cheema is a Certified Practising Accountant and has over 10 years' experience as Company Secretary and Director of publicly listed companies within Australia and abroad.

**Directors' interests**

The relevant interest of each director in the share capital of the companies within the consolidated entity, as notified by the directors to the Australian Securities Exchange Limited in accordance with section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary fully paid shares	Incentive Shares	Options	Incentive Options
RO Jones <sup>1</sup>	19,409,953	-	625,000	500,000
AR Cooper <sup>2</sup>	26,063,517	-	5,500,000	-
E Czechowski <sup>1</sup>	1,490,000	-	-	500,000
HP Halliday	9,400,000	-	500,000	-
A Molyneux	-	-	2,000,000	-
D Prentice	683,333	-	791,667	-

<sup>1</sup> Resigned 11 October 2018. Share and options holdings on date of resignation.

<sup>2</sup> Resigned 30 April 2019. Share and options holdings on date of resignation.

**Earnings per Share**

	Cents
Basic loss per share	(0.86)
Diluted loss per share	(0.86)

**Dividends**

No dividends have been paid or will be recommended to be paid.

**Nature of Operations and Principal Activities**

The principal activities of Comet Resources Ltd and its subsidiaries during the course of the financial year was mineral exploration.

There has been no significant change in the nature of this activity during the year.

**Results**

The net loss after income tax of the consolidated entity for the financial year was \$1,904,511 (2018: \$2,006,363 loss).

**Operating and Financial Review**

Comet Resources Ltd is pleased to report the following key operational and financial highlights for the year ending 30 June 2019 (FY19).

**COMET RESOURCES LTD  
and its Controlled Entities  
DIRECTORS' REPORT (CONT'D)**

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## Highlights FY19

- Maiden Inferred Resource Released; 15.6Mt @ 6% TGC, including 2.6Mt @17.5% TGC (ASX 1 Dec 2018)
- Appointed mineral industry executive Philippa Leggat as its new Chief Executive Officer (ASX 1 May 2019)
- Identified two new high-grade graphite zones extending over a combined interpreted strike length of 8.5 kilometres, outside existing resource (ASX 7 May 2019)
- Confirmed ability to optimise exploration efficiency by using electromagnetic surveys (EM) to target high-grade graphite near surface (ASX 18 Jun 2019)
- Clarified strategy to undertake three key work programs required for a Pre-Feasibility study:
  - Upgrade shallow, high-grade component of existing maiden Inferred Resource (2.6Mt at 17.5% TGC ASX 6 Dec 2018) and include potential new areas of graphite identified by the EM survey
  - Advance metallurgical testwork to provide samples to potential offtake partners
  - Build relationships with potential offtake partners
- Secured funding of \$1,125,000 to advance work programs (ASX 25 Jun 2019)

### Comet Resources CEO, Philippa Leggat, commented:

*"It's been a productive year with the delivery of clear, targeted milestones at our high-grade Springdale Graphite project and the next steps required to advance the project are well defined.*

*"We have a singular focus to add value to Springdale and have built a strong team with the necessary capability and experience to continue our focussed approach to delivering milestones.*

*"We have exciting times ahead of us, with the results of our exploration and metallurgical programs beginning to flow over the coming weeks and months. In addition to the news flow, these results will provide the information required to finesse our sales and marketing strategy as we begin to develop relationships with potential offtake partners.*

*"I'm looking forward to the coming year. We have all the fundamental elements for success, positioning Comet to fly."*

### Work Program and Outlook FY20

Program	Aim & Details
Electromagnetic survey (EM)	Geophysical survey to highlight the shallow, high-grade graphite mineralisation. Completed in September. (ASX 4 Sep 2019)
Drilling	Targeting the shallow, high-grade component of the existing resource and potential new areas of graphite identified by the EM survey. Scheduled to commence in August. (ASX 18 Jul 2019)
Metallurgical testwork	Consulting metallurgist engaged to design targeted program to characterise the graphite and suite of products which can be produced. Preparation of >95% TGC concentrate from composite samples, for off-take partners to undertake testwork and value-add testwork including expansion and battery-grade testwork.
Off-take	Strategy and approach defined and underway to engage off-take partners. Leveraging existing board relationships and taking advantage of the benefits of the project location in top mining jurisdiction Australia.
Grant and subsidy funding	R&D grant application in preparation. Additional Australian grant funding opportunities under assessment.

During the June 19 quarter the Company announced the discovery of two high-grade discoveries outside the existing areas of the resource. The same drilling program confirmed the ability to use EM as a targeting tool for shallow, high-grade graphite, which is expected aid the capital efficiency of the exploration program. Subsequent to FY19, Comet announced the that it had engaged DDH1 Drilling to undertake the upcoming diamond drilling campaign at the Springdale Graphite Project in southern West Australia. The program has been designed to infill the existing high-grade component of the resource, provide quality control on previous RC drilling and most importantly provide representative samples of mineralisation for use in a variety of metallurgical testwork. (ASX 18 Jul 19)



*Figure 1 – CEO Philippa Leggat at the high-grade Springdale Graphite Project, discussing plans for the August 2019 diamond drilling campaign*

## **Corporate Activities**

### **Comet Appoints New CEO**

On 1 May 2019, Comet announced the appointment of mineral industry executive Philippa Leggat as its new Chief Executive Officer. The Board is delighted to have access to Philippa's strong corporate skills and experience, particularly with respect to capital markets, negotiation, strategy and delivering corporate objectives within the mining and metals sector. The CEO appointment is integral to the Company as it transitions to the next phase of development of its 100% owned Springdale Graphite Project in Western Australia.

### **Completion of Funding Initiatives**

On 1 July 2019 and subsequent to the announcement on 25 June 2019, the Company advised that it had issued a total of 37,500,000 fully paid ordinary shares and 18,750,000 one-for-two free attaching options at a price of \$0.03 per share to raise \$1,125,000 before costs. The one-for-two free attaching options are exercisable at \$0.06, expiring 30 June 2021.

The shares were issued under the Company's capacity pursuant to ASX Listing Rule 7.1 (14,950,000 shares and 18,750,000 options) and 7.1A (22,550,000 shares). Comet will use the funds for a diamond drilling program to infill and extend the high-grade component of the existing resource and recently announced discoveries. The diamond core will be used to conduct metallurgical test work to optimise the processing circuit to produce a high-grade graphite concentrate.

### **Competent Person Statement**

The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Matthew Jones, who is a Competent Person and Member of The Australasian Institute of Mining and Metallurgy. Matthew Jones is full-time Exploration Manager of the Company. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Matthew Jones consents to the inclusion in this report of the matters based on their information in the form and context in which it appears. This Report may include forward-looking statements that are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risk, uncertainties and other factors, many of which are outside the control of Comet Resources that could cause actual results to differ materially from such statements. Comet Resources makes no undertaking to subsequently update or revise forward-looking statements made in this Report to reflect events or circumstances after the date of this Report.



**COMET RESOURCES LTD  
and its Controlled Entities  
DIRECTORS' REPORT (CONT'D)**

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## **Review of Financial Condition**

The Group has cash reserves of \$1,291,468 at 30 June 2019 (2018: \$819,776) and a net asset position of \$1,198,676 (2018: \$744,165). The Company considers this to be adequate to:

- meet the tenement exploration commitments; and
- assess new exploration projects.

## **Capital Structure**

On 21 August 2018, Comet Resources advised that it had issued 4,250,000 Fully Paid Ordinary Shares at an issue price of \$0.04 per share to Directors, and 2,125,000 one for two free attaching options with this for director participation, the options are exercisable at \$0.10 on or before 31 December 2019. An additional 9,625,000 free attaching options had been issued in accordance with the placement completed in May 2018. The options are exercisable at \$0.10 on or before 31 December 2019. A further 6,000,000 fully paid ordinary shares were issued at \$0.01 a share on exercise of options.

On 6 December 2018, Comet Resources issued 24,450,000 fully paid ordinary shares at \$0.03 per share, to raise \$733,500 (before costs).

On 26 February 2019, 1,500,000 fully paid ordinary shares were issued pursuant to the exercise of 1,500,000 incentive options which had an exercise price of \$0.001.

On 24 April 2019 Comet Advised that the following issues took place:

- 3,050,000 fully paid ordinary shares at \$0.03 per share. For director participation Fully Paid Ordinary Shares as approved at the General Meeting of Shareholders held on 8 April 2019
- 3,000,000 fully paid ordinary shares at \$0.001 per Share. Issue of Fully Paid Ordinary Shares following receipt of options exercise notices and satisfaction of vesting conditions approved at the General Meeting of Shareholders held on 9 August 2017
- 13,750,000 Free attaching Placement Options exercisable at \$0.10 expiring 31 December 2019, as approved at the General Meeting of Shareholders held on 8 April 2019
- 13,100,000 Advisor Options exercisable at \$0.10 expiring 31 December 2019, as approved at the General Meeting of Shareholders held on 8 April 2019
- 2,000,000 Options granted as remuneration to Director Alexander Molyneux exercisable at \$0.10 expiring 31 December 2019, as approved at the General Meeting of Shareholders held on 8 April 2019

On 9 May 2019, Comet Resources issued 2,000,000 escrowed fully paid ordinary shares at \$0.028 per share. Issue of securities pursuant to the land access compensation agreement between the Company and the land owners. The agreement allows Comet to enter and remain upon the Mining Tenements to conduct geological examinations and exploration in order to investigate the potential mineralisation of the Land on the terms and conditions set out in the Agreement.

## **Risk Management**

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Group believes that it is crucial for all Board members to be part of this process, and as such the Board has not established a separate risk management committee and the whole Board acts in that role.

The Board has a number of mechanisms in place to ensure that the management's objectives and activities are aligned with the risks identified by the Board.

## **Significant Events since Reporting Date**

The Group completed a share placement on the 1st of July 2019 for 37,500,000 fully paid ordinary shares and 18,750,000 one-for-two free attaching options at a price of \$0.03 per share to raise \$1,125,000 before costs. The one-for-two free attaching options are exercisable at \$0.06, expiring 30 June 2021.

There have not been any other significant changes in the state of affairs during the year ended 30 June 2019 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

## **Likely Developments**

The consolidated entity will focus on the exploration of its portfolio of mining tenements and the acquisition of new projects and/or assets.

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations on future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

## **Environmental Regulation and Performance**

The consolidated entity's operations were subject to environmental regulations under both Commonwealth and State legislation in relation to its exploration activities.

The directors are not aware of any breaches during the period covered by this report.

## **Indemnification of Officers**

The Company has agreed to indemnify and keep indemnified the following officers, Mr A Molyneux, Mr D Prentice, Mr RO Jones, Mr AR Cooper, Mr HP Halliday and Mr E Czechowski against all liabilities incurred by the directors and officers as a director or officer of the Company (and subsidiaries) and all legal expenses incurred by the directors as a director of the Company (and subsidiaries).

The indemnity only applies to the extent and in the amount that the directors and officers are not indemnified under any other indemnity, including an indemnity contained in any insurance policy taken out by the Company (or subsidiaries), under the general law or otherwise.

The indemnity does not extend to any liability:

- to the Company or a related body corporate of the Company; or
- arising out of conduct of the directors involving a lack of good faith; or
- which was incurred prior to 15 April 1994 and which is in respect of any negligence, default, breach of duty or breach of trust of which the directors may be guilty in relation to the Company or related body corporate.

## **Insurance of Officers**

Since the end of the previous financial year the Company has paid insurance premiums of \$5,964 in respect of directors and officers' liability and corporate reimbursement, for directors and officers of the Company. The insurance premiums relate to:

- any loss for which the directors and officers may not be legally indemnified by the Company arising out of any claim, by reason of any wrongful act committed by them in their capacity as a director or officer, first made against them jointly or severally during the period of insurance; and
- indemnifying the Company against any payment which it has made and was legally permitted to make arising out of any claim, by reason of any wrongful act, committed by any director or officer in their capacity as a director or officer, first made against the director or officer during the period of insurance.

The insurance policy outlined above does not allocate the premium paid in respect of each individual officer of the Company.

## **Remuneration Report (Audited)**

This report outlines the remuneration arrangements in place for directors and key management personnel of Comet Resources Ltd.

### **Remuneration Philosophy**

The performance of the Group depends upon the quality of its directors and key management personnel. To prosper the Company must attract, motivate and retain appropriately skilled directors and executives.

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Company bases its remuneration of employees and consultants on industry standards and the Australasian Institute of Mining and Metallurgy Remuneration and Membership Survey. Whilst in the exploration and acquisition phase, the Company targets the lowest quartile of remuneration levels.

### **Remuneration Structure**

In accordance with best practice corporate governance, the structure of Non-executive director and Executive remuneration is separate and distinct.

Details of the nature and amount of each element of the emoluments of each director of the Company and the Group are:

### **Remuneration Committee**

Due to the size and composition of the current board, remuneration related matters are collectively discussed and resolved in accordance with Company requirements.

### **Employment Agreements**

Comet has entered into the following agreements with Directors:

- Agreement with Phillipa Leggat for the services as Chief Executive Officer (CEO), with fees of \$225,000 per year.
- Agreement with Alex Molyneux for the services as Non-Executive Director, with fees of \$40,000 per year.
- Agreements in regards to the other directors of the Company continue to roll forward in conjunction with their directorships.

**COMET RESOURCES LTD  
and its Controlled Entities  
DIRECTORS' REPORT (CONT'D)**

**Directors' Fees and Benefits**

Directors' fees are determined within an aggregate fee pool limit, which is periodically recommended for approval by Shareholders. This amount is separate from any specific tasks the Directors may take on for the Company.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts of the Company) because of a contract made by the Company or a related body corporate with the Director or with a firm of which the Director has a substantial financial interest, other than:

- a) geological consulting and management fees paid or due and payable to Alberta Resources Pty Ltd of \$330,000, an entity in which Mr Cooper has a substantial financial interest for services provided in the normal course of business and at normal commercial rates.
- b) a total of \$23,333 was paid to Huntworth Pty Ltd, an entity in which Mr Czechowski has a substantial financial interest for company secretarial services provided in the normal course of business and at normal commercial rates.
- c) a total of \$16,425 was paid to Mr Jones as Chairman of the Company during the year ended 30 June 2019.
- d) a total of \$75,000 was paid to Mr Halliday during the period, \$15,000 of which were director fees and the remaining \$60,000 as Corporate Consulting fees.
- e) a total of \$15,000 was paid to Mr Molyneux as Director of the Company during the year ended 30 June 2019.
- f) a total of \$26,667 was paid to Mr Prentice as Director of the Company during the year ended 30 June 2019.

The remuneration amount mentioned above as disclosed in the table below.

**Directors' & Key Management Personnel remuneration for the Year ended 30 June 2019**

Name		Short-term			Post-employment		Share-based	Total	Perform-ance based	Remuneration consisting of incentive shares or options
		Cash salary and fees	Cash bonus	Non-monetary benefits	Super-annuation	Retirement benefits	Incentive shares or options			
		\$	\$	\$	\$	\$	\$	%	%	
RO Jones <sup>5</sup>	2019	15,000	-	-	1,425	-	31,050	47,475	-	65.4%
Chairman	2018	36,000	-	-	3,420	-	- <sup>1</sup>	39,420	-	0.0%
AR Cooper <sup>4</sup>	2019	330,000	-	-	-	-	-	330,000	-	0.0%
Managing Director	2018	357,000	-	-	-	-	-	357,000	-	0.0%
A Molyneux	2019	15,000	-	-	-	-	504	15,504	-	3.25%
Non-executive	2018	-	-	-	-	-	-	-	-	0.0%
E Czechowski <sup>5</sup>	2019	23,333	-	-	-	-	31,050	54,383	-	57.1%
Non-executive	2018	56,000	-	-	-	-	- <sup>1</sup>	56,000	-	0.0%
D Prentice	2019	26,667	-	-	-	-	-	26,667	-	0.0%
Non-executive	2018	-	-	-	-	-	-	-	-	0.0%
HP Halliday	2019	75,000 <sup>3</sup>	-	-	-	-	186,300	261,300	-	71.3%
Non-executive	2018	69,764	-	-	-	-	- <sup>1</sup>	69,764	-	0.0%
<b>Total 2019</b>		<b>485,000</b>	-	-	<b>1,425</b>	-	<b>248,904</b>	<b>735,329</b>		
<b>Total 2018</b>		<b>518,764</b>	-	-	<b>3,420</b>	-	-	<b>522,184</b>		

The Company undertakes to apply for official quotation by ASX of all ordinary Shares allotted pursuant to the convert of any Incentive Options.

<sup>1</sup>During the prior year, the Company issued 4,000,000 incentive options to Hamish Halliday (3,000,000), Robert Jones (500,000) and Edmund Czechowski (500,000). These options vested during the year on company achieving a JORC compliant resource by the Company or a change of control event occurring.

<sup>2</sup>During the year, the company issued 2,000,000 incentive options to A Molyneux.

<sup>3</sup>During the year, Mr Halliday received a total of \$60,000 as Corporate Consultant fees.

<sup>4</sup> Resigned 30 April 2019

<sup>5</sup> Resigned 11 October 2018

**COMET RESOURCES LTD  
and its Controlled Entities  
DIRECTORS' REPORT (CONT'D)**

## Directors' interests

The numbers of ordinary shares in the Company held during the financial year by each director and key management personnel of Comet, including their personally-related entities, are set out below. Shares held by directors and key management personnel are as follows:

Name	Balance at the start of the year	Acquired during the year	Disposed of during the year	Balance at Resignation date	Balance at the end of the year
RO Jones <sup>1</sup>	17,259,953	2,150,000	-	(19,409,953)	-
AR Cooper <sup>2</sup>	21,413,517	4,650,000	-	(26,063,517)	-
E Czechowski <sup>1</sup>	1,290,000	200,000	-	(1,490,000)	-
H Halliday	4,150,000	5,250,000	-		9,400,000
D Prentice	-	683,333	-		683,000
A Molyneux	-	-	-		-

Options held by directors and key management personnel at reporting date are as follows:

Name	Balance at the start of the year	Acquired during the year	Granted as compensation during the year	Balance at the end of the year or at the resignation date
RO Jones <sup>1</sup>	-	625,000	-	625,000
AR Cooper <sup>2</sup>	4,000,000	1,500,000	-	5,500,000
E Czechowski <sup>1</sup>	-	-	-	-
H Halliday	-	500,000	-	500,000
D Prentice	-	791,667	-	791,667
A Molyneux	-	-	2,000,000	2,000,000

Incentive shares held by directors or key management personnel at reporting date are as follows:

Name	Balance at the start of the year	Granted as compensation during the year	Converted to Ordinary Shares during the year	Balance at the end of the year or at the resignation date
RO Jones <sup>1</sup>	-	-	-	-
AR Cooper <sup>2</sup>	-	-	-	-
E Czechowski <sup>1</sup>	-	-	-	-
H Halliday	-	-	-	-

Incentive Options held by directors and key management personnel at reporting date are as follows:

Name	Balance at the start of the year	Acquired during the year	Exercised during the year <sup>3 4</sup>	Balance at the end of the year or at the resignation date
RO Jones <sup>1</sup>	1,400,000	-	900,000	500,000
AR Cooper <sup>2</sup>	1,650,000	-	1,650,000	-
E Czechowski <sup>1</sup>	700,000	-	200,000	500,000
H Halliday	4,250,000	-	4,250,000	-

<sup>1</sup> Resigned on 11 October 2018

<sup>2</sup> Resigned on 30 April 2019

<sup>3</sup> Exercise of unlisted Incentive Options exercisable at \$0.001 expiring 30 July 2021.

<sup>4</sup> 3,000,000 Incentive options held by H Halliday are exercisable at \$0.001 expiring 30 July 2022. These were exercised on 24 April 2019

End of Remuneration Report.

**COMET RESOURCES LTD  
and its Controlled Entities  
DIRECTORS' REPORT (CONT'D)**

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## Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings	
	A	B
RO Jones	-	-
AR Cooper	3	3
E Czechowski	-	-
H Halliday	3	3
D Prentice	3	3
A Molyneux	2	2

A = Number of meetings eligible to attend

B = Number of meetings attended during the time the Director held office during the year.

## Committee Memberships

As at the date of this report the Company does not have a Remuneration, Nomination or Audit Committee. This role is assumed by the full Board.

## Significant changes in State of Affairs

During the financial year there were no significant changes in the state of affairs of the Group.

## Auditor's Independence and Non-Audit Services

The Company's auditor, Stantons International, did not provide any non-audit services during the year.

A copy of the Auditor's independence declaration as required by Section 307c of the Corporations Act 2001 is set out on page 45.

## Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Comet Resources Limited support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. The Company's corporate governance statement is contained on its web page at [www.cometres.com.au](http://www.cometres.com.au).

Signed in accordance with a resolution of directors.



**H Halliday**  
Chairman

Dated at Perth this 29<sup>th</sup> September 2019

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the year ended 30 June 2019**

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	Note	<b>CONSOLIDATED</b>	
		2019 \$	2018 \$
Administration expenses		(754,244)	(652,298)
Exploration expenses		(1,337,501)	(1,592,766)
Share based payments	20	(250,896)	(36,149)
<b>Operating result</b>		<b>(2,342,641)</b>	<b>(2,281,213)</b>
<b>Loss before interest and taxes and depreciation</b>		<b>(2,342,641)</b>	<b>(2,281,213)</b>
Depreciation	3(b)	-	-
<b>Loss before interest and taxes</b>		<b>(2,342,641)</b>	<b>(2,281,213)</b>
Net other income	3(a)	438,130	274,850
<b>Loss before taxes</b>		<b>(1,904,511)</b>	<b>(2,006,363)</b>
<b>Net loss for the year</b>	12	<b>(1,904,511)</b>	<b>(2,006,363)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
<b>Total comprehensive loss for the year</b>		<b>(1,904,511)</b>	<b>(2,006,363)</b>
<b>Net loss attributable to the members of the parent entity</b>		<b>(1,904,511)</b>	<b>(2,006,363)</b>
<b>Total comprehensive loss attributable to the members of the parent entity</b>		<b>(1,904,511)</b>	<b>(2,006,363)</b>
<b>Basic loss per share</b>	13	(0.86) cents	(1.17) cents
<b>Diluted loss per share</b>		(0.86) cents	(1.17) cents

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 17 to 39.

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2019**

	NOTE	<b>CONSOLIDATED</b>	
		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,291,468	819,776
Trade and other receivables	7	-	17,443
<b>Total current assets</b>		<b>1,291,468</b>	<b>837,219</b>
<b>Non-current assets</b>			
Other financial assets	8	2,000	2,000
<b>Total non-current assets</b>		<b>2,000</b>	<b>2,000</b>
<b>TOTAL ASSETS</b>		<b>1,293,468</b>	<b>839,219</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	82,298	84,290
Provisions		12,494	10,764
<b>Total current liabilities</b>		<b>94,792</b>	<b>95,054</b>
<b>TOTAL LIABILITIES</b>		<b>94,792</b>	<b>95,054</b>
<b>NET ASSETS</b>		<b>1,198,676</b>	<b>744,165</b>
<b>EQUITY</b>			
Issued capital	10	9,896,132	8,894,316
Shares to be issued	10	1,105,000	-
Reserves	11	907,962	655,756
Accumulated losses	12	(10,710,418)	(8,805,907)
<b>TOTAL EQUITY</b>		<b>1,198,676</b>	<b>744,165</b>

The consolidated statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 17 to 39.



**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the year ended 30 June 2019**

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		<b>CONSOLIDATED</b>	
		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
	Payments to suppliers and employees	(2,018,564)	(2,209,133)
	Grants and Rebates	436,144	269,992
	Interest received	1,986	4,859
<b>Net cash flows (used in) operating activities</b>		<b>(1,580,434)</b>	<b>(1,934,282)</b>
<b>Net Cash flows from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
	Issue of shares and options net of issue costs	947,126	1,272,421
	Shares to be issued	1,105,000	-
<b>Net cash flows from financing activities</b>		<b>2,052,126</b>	<b>1,272,421</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>471,692</b>	<b>(661,861)</b>
Cash and cash equivalents at the beginning of the year		819,776	1,481,637
<b>Cash and cash equivalents at the end of the year</b>		<b>1,291,468</b>	<b>819,776</b>

The consolidated statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 17 to 39.

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 30 June 2019**

	Issued Capital \$	Shares to be issued \$	Accumulated losses \$	Other Reserves \$	Total \$
<b>CONSOLIDATED</b>					
<b>As at 1 July 2017</b>	7,621,895	-	(6,799,544)	614,208	1,436,559
Net loss for the year	-	-	(2,006,363)	-	(2,006,363)
Total comprehensive loss for the year	-	-	(2,006,363)	-	(2,006,363)
Option issues	-	-	-	41,548	41,548
Shares issued	1,272,421	-	-	-	1,272,421
<b>As at 30 June 2018</b>	<b>8,894,316</b>	<b>-</b>	<b>(8,805,907)</b>	<b>655,756</b>	<b>744,165</b>
Net loss for the year	-	-	(1,904,511)	-	(1,904,511)
Total comprehensive loss for the year	-	-	(1,904,511)	-	(1,904,511)
Options issued	-	-	-	252,206	252,206
Shares issued (net of costs)	1,001,816	-	-	-	1,001,816
Shares to be issued	-	1,105,000	-	-	1,105,000
<b>As at 30 June 2019</b>	<b>9,896,132</b>	<b>1,105,000</b>	<b>(10,710,418)</b>	<b>907,962</b>	<b>1,198,676</b>

The consolidated statement of changes in equity are to be read in conjunction with the notes to the financial statements set out on pages 17 to 39.

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2019**

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**1. CORPORATE INFORMATION**

The financial report of Comet Resources Limited (“Comet”) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 29<sup>th</sup> September 2019.

Comet Resources Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of Comet and its subsidiaries (“the Group”) are described in the Directors’ Report.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant policies, which have been adopted in the preparation of this financial report, are:

**(a) Basis of Preparation**

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements of Comet Resources Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

It has been prepared on the basis of accrual accounting and historical costs, modified where applicable, by the measurement at fair value of selected financial assets.

The financial report is presented in Australian dollars.

**Going Concern Basis**

The consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2019, the Group incurred a loss after tax of \$1,904,511 (2018: \$2,006,363), and a net cash outflow from operations of \$1,580,434 (2018: \$1,934,282). At 30 June 2019, the Group had a working capital of \$1,196,676 (2018: working capital of \$742,165) and non-current liabilities of nil (2018: nil). As at 30 June 2019, the Group had a cash balance of \$1,291,468. The Group’s ability to continue as a going concern and pay its debts as and when they fall due, given the Group’s intended operational plans, assumes active management of the current level of discretionary expenditure in line with the funds available to the Group.

The directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through the debt and/or equity issues as and when the need to raise working capital arises.

Should the Group be unable to continue as a going concern, it may be required to monetise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the consolidated financial statements.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

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**(b) Principles of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**(c) Revenue Recognition**

**Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Where the grant relates to an asset, the fair value is credited to a deferred income amount and is released to the statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

**(d) Cash and Cash Equivalents**

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short terms deposits with an original maturity of six months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdraft.

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

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**(e) Intangible Assets**

*Acquired both separately and from a business combination*

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the statement of comprehensive income through the 'research and development expenses' line item.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite lives intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

*Research and development costs*

Research costs are expensed as incurred.

Development expenditure incurred on an individual project in the future may be carried forward when its future recoverability can reasonably be regarded as assured.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Any expenditure carried forward is amortised over the period of expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

**(f) Impairment of Assets**

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

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**(g) Financial Instruments**

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL);

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

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**(g) Financial Instruments (cont)**

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

From 1 July 2018, the Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Comparative information

The Group has applied AASB 9 Financial Instruments retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Classification

Until 30 June 2018, the Group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available for sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

**(h) Other Taxes**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

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**(i) Foreign Currency Transactions**

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of profit or loss and other comprehensive income in the financial year in which the exchange rates change.

**(j) Borrowing Costs**

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred.

**(k) Income Tax**

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

**(l) Trade and Other Receivables**

The collectability of debts is assessed at reporting date and specific provision is made for any doubtful accounts. Trade debtors to be settled within 60 days are carried at amounts due.



**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

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**(m) Plant and Equipment**

**Acquisition**

Items of plant and equipment are initially stated at cost less accumulated depreciation and impairment losses.

**Depreciation and Amortisation**

Items of plant and equipment are depreciated/amortised using the straight-line method over their estimated useful lives.

The depreciation rates used for plant and equipment range between 13% and 50%.

Assets are depreciated or amortised from the date of acquisition.

**(n) Leased Assets**

Leases under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

**Finance Leases**

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

**Operating Leases**

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

**(o) Exploration and Evaluation Expenditure**

All exploration and evaluation expenditure is expensed as incurred.

**(p) Trade and Other Payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 days.

**(q) Employee Entitlements**

**Wages, Salaries and Annual Leave**

The provisions for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on expected wage and salary rates including related on-costs.

**Superannuation Plan**

The Company contributes to defined contribution superannuation plans. Contributions are charged against income as they are made.

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

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**(r) Share-based Payment Transactions**

The Group provides benefits to employees or consultants (including directors) of the Group in the form of share-based payment transactions, whereby employees or consultants render services in exchange for shares or rights over shares ('equity-settled transactions').

The directors may provide these benefits at their discretion by a resolution or there is currently a plan in place to provide these benefits, the Employee Share Option Plan (ESOP), which provides benefits to directors, executives and employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model or Black-Scholes model.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 20.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

**(s) Contributed Equity**

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

**(t) Segment Reporting**

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by the Group's chief operating decision maker which, for the Group, is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the statement of profit or loss and other comprehensive income and statement of financial position.

**(u) Earnings Per Share**

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

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**(u) Earnings Per Share (cont'd)**

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- a. costs of servicing equity (other than dividends) and preference share dividends;
- b. the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have not been recognized as expenses; and
- c. other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares,

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

**(v) Significant Accounting Estimates**

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

*Share-based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date which they are granted. The fair value is determined by the Company using a binomial model or Black-Scholes model.

*Deferred taxation*

Deferred income tax assets are recognised for carry forward unused tax losses to the extent that it is probable that taxable profits will be available against which the tax losses can be utilised. At 30 June 2019 no deferred tax asset has been recognised in relation to the unused tax losses as it is not considered probable that taxable profits will be available.

**(w) New Accounting Standards for Interpretation in Future Periods**

AASB 16: Leases applies to annual reporting periods beginning on or after 1 January 2019.

This Standard supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, AASB interpretation 115 Operating Leases-Incentives and AASB interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

The key features of AASB 16 are as follows:

Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.

Assets and Liabilities arising from the lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend to lease, or not to exercise an option to terminate the lease.

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**(w) New Accounting Standards for Interpretation in Future Periods (cont)**

AASB 16 contains disclosure requirements for leases.

Adoption of AASB 16 will have no material impact on the financial statements of the Group. The company has an operating lease for a term of 12 months with no option to extend. Therefore AASB 16 is not applicable.

**(x) New amended standards adopted by the group**

The Group has adopted AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments which became effective for financial reporting periods commencing on or after 1 January 2018

AASB 15 Revenue from contracts with customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has applied the new Standard effective from 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.

The adoption of AASB 15 does not have a significant impact on the Group as the Group does not currently have any revenue from customers.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

As a result of adopting AASB 9 Financial Instruments, the Group has amended its financial instruments accounting policies to align with AASB 9. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

There were no financial instruments which the Group designated at fair value through profit or loss under AASB 139 that were subject to reclassification. The Board assessed the Group's financial assets and determined the application of AASB 9 does not result in a change in the classification of the Group's financial instruments.

The adoption of AASB 9 does not have a significant impact on the financial report.

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**for the year ended 30 June 2019**

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	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>3. REVENUES AND EXPENSES</b>		
<b>(a) Revenue</b>		
Interest – other parties	1,986	4,858
R&D Tax Rebate	342,031	189,992
DMP Grant Funds	94,113	80,000
	438,130	274,850
<b>(b) Expenses</b>		
Depreciation		
- plant & equipment	-	-
<b>Lease payments, included in statement of profit or loss and other comprehensive income</b>		
Operating leases	21,600	21,600
<b>(c) Directors/consultants benefits expense, included in statement of profit or loss and other comprehensive income</b>		
Consulting & Directors' fees	485,000	518,764
Superannuation costs	1,425	3,420
Share-based payment expense	250,896	-
	737,321	522,184
<b>4. SEGMENT INFORMATION</b>		

The Group has identified its operating segments based on the internal reports that are provided to the Board (Chief Operating Decision Maker) for making strategic decisions.

The Company operates predominately in one geographical segment, being Australia, and one operating segment being mineral exploration.

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**5. TAXATION**

**CONSOLIDATED**  
**2019**                      **2018**  
**\$**                              **\$**

**Statement of Comprehensive Income**

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the year ended 30 June 2019 is as follows:

Accounting loss before income tax	(1,904,511)	(2,006,363)
	(1,904,511)	(2,006,363)
<b>Prima facie tax benefit on loss from ordinary activities at 27.5% (2018: 27.5%)</b>	(523,631)	(551,750)
Tax effect of amounts which are not deductible in calculating taxable income		
Non-deductible expenses	686	206,285
Non assessable income	(94,058)	(52,247)
Adjustments recognised in the current year in relation to the current tax of previous years	(31,564)	-
Share base payments	68,472	9,941
Effect of temporary differences that would be recognised directly in equity	(16,413)	(16,536)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	596,508	404,307
Income tax expense	-	-
<b>Unrecognised temporary differences</b>		
<b>Deferred Tax Assets at 27.5% (2018: 27.5%)</b>		
Capital raising costs	-	(9,003)
Provision for expenses & accruals	(8,661)	7,533
Carry forward revenue tax losses	(4,221,847)	(3,670,268)
Carry forward capital tax losses	(349,336)	(311,598)
	(4,579,844)	(3,983,336)
<b>Deferred Tax Liabilities at 27.5% (2018: 27.5%)</b>		
Unearned Revenue	-	-

The Group has revenue losses arising in Australia of \$15,352,171 (2018: \$13,346,429) and capital losses of \$1,270,313 (2018: \$1,133,083) that are available indefinitely for offset against future taxable profits of the companies in which the loss arose.

**COMET RESOURCES LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash	1,291,468	589,905
Short term deposits, maturing within 90 days and paying interest at a weighted average interest rate of (2018: 0.6%)	-	229,871
	<u>1,291,468</u>	<u>819,776</u>

	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>7. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
GST Receivable	-	17,443
	<u>-</u>	<u>17,443</u>

As of 30 June 2019 trade and other receivables do not contain impaired assets and are not past due. It is expected that these amounts will be received when due. The Group does not have any collateral in relation to these receivables.

Details regarding the effective interest rate and credit risk of current receivables are disclosed in Note 18.

During the year ended 30 June 2019, \$7,391 payable to ATO disclosed in Note 9.

**8. OTHER FINANCIAL ASSETS**

**Non-current**

Security bonds	<u>2,000</u>	<u>2,000</u>
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**9. TRADE AND OTHER PAYABLES**

**Current**

Trade creditors	45,107	70,390
GST Payable	7,391	-
Accruals	29,800	13,900
	<u>82,298</u>	<u>84,290</u>

Trade payables are not interest bearing and settle within 30 to 60 days.

	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>	<b>\$</b>	<b>\$</b>
<b>10. ISSUED CAPITAL</b>				
<b>Issued and paid-up capital</b>	<u>240,000,000</u>	<u>195,750,000</u>	<u>8,894,316</u>	<u>8,894,316</u>
<b>Movements in ordinary share capital</b>				
Balance at the beginning of the financial year	195,750,000	152,950,000	8,894,316	7,621,895
Shares issued during the year net of capital raising costs	44,250,000	42,800,000	1,001,816	1,272,421
Balance at the end of the financial year	<u>240,000,000</u>	<u>195,750,000</u>	<u>9,896,132</u>	<u>8,894,316</u>

Holder of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at a shareholders meeting. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

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**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

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**10. ISSUED CAPITAL (cont)**

As at 30 June 2019, the company had collected \$1,105,000 out of the \$1,125,000 share placement completed on the 1<sup>st</sup> of July 2019. The same has been disclosed on shares to be issued in equity. The shares were issued on 1 July 2019.

**Options**

At the reporting date, the Company had the following Options on issue.

Options Numbers	Option Terms	Vesting conditions
12,000,000	Unquoted Options exercisable at \$0.04 exp 31 December 2019	Not applicable
57,000,000	Unquoted Options exercisable at \$0.10 exp 31 December 2019	Not applicable
5,000,000	Unquoted Advisor options exercisable at \$0.10 exp 31 December 2020	Not applicable
10,000,000	Unquoted Advisor options exercisable at \$0.15 exp 31 December 2020	Not applicable

The Options are transferable subject to any restriction or escrow agreements imposed by ASX or under applicable Australian securities laws. Shares allotted pursuant to the convert of the Options will rank equally with the then issued ordinary Shares of the Company; and

**Movement in Options during the year**

The following reconciles the options outstanding at the beginning and end of the year:

	2019		2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	No.	\$	No.	\$
Balance at beginning of the year	53,900,000	0.077	36,000,000	0.047
Granted during the year	40,600,000	0.1	23,900,000	0.092
Forfeited during the year	-	-	-	-
Exercised during the year	(10,500,000)	0.001	(6,000,000)	0.001
Expired during the year	-	-	-	-
Balance at end of year	<b>84,000,000</b>	<b>0.097</b>	<b>53,900,000</b>	<b>0.077</b>
Exercisable at end of year	<b>84,000,000</b>	<b>0.097</b>	<b>53,900,000</b>	<b>0.077</b>

The Company undertakes to apply for official quotation by ASX of all ordinary Shares allotted pursuant to the exercise of any Options.

**Incentive Shares**

There are no Incentive shares on issue.



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**CONSOLIDATED**  
**2019**      **2018**  
**\$**            **\$**

**11. RESERVES**

Option premium reserve	298,307	298,307
Share-based payments reserve	609,655	357,449
	907,962	655,756

**CONSOLIDATED**  
**2019**      **2018**  
**\$**            **\$**

**Movement in reserves**

Balance at beginning of year	655,756	614,208
Options issued for consideration	1,310	-
Share based payments during the year	250,896	41,548
Balance at end of year	907,962	655,756

**Nature and Purpose of Reserves**

*Option Premium Reserve*

The Option premium reserve reflects the amounts received on issue of options other than remuneration options.

*Share-Based Payments Reserve*

The reserve reflects the value of equity benefits provided to executives/consultants as part of their remuneration.

**CONSOLIDATED**  
**2019**      **2018**  
**\$**            **\$**

**12. ACCUMULATED LOSSES**

Accumulated losses at beginning of year	(8,805,907)	(6,799,544)
Net loss attributable to members of the parent entity	(1,904,511)	(2,006,363)
Accumulated losses at the end of the year	(10,710,418)	(8,805,907)

**13. EARNINGS PER SHARE**

**CONSOLIDATED**  
**2019**      **2018**  
**\$**            **\$**

(a) Basic earnings (loss) per share (cents per share)	(0.86)	(1.17)
(b) Reconciliation of earnings used in calculating earnings per share		
Loss attributable to ordinary entity	(1,904,511)	(2,006,363)
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	220,333,562	172,046,575

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**14. STATEMENT OF CASH FLOWS**

**(a) Reconciliation of cash and cash equivalents**

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash	1,291,468	589,905
Short term deposits maturing within 90 days and paying interest at a weighted average interest rate of 0.6% (2018: 0.6%)	-	229,871
	<b>1,291,468</b>	<b>819,776</b>

**(b) Reconciliation of operating loss after income tax to net cash used in operating activities**

Operating loss after income tax	(1,904,511)	(2,006,363)
Add non-cash items:		
Share based payments	250,896	41,548
Land access compensation paid in shares	56,000	-
Changes in assets and liabilities:		
Decrease in trade and other receivables	17,443	21,976
(Decrease) in trade and other payables	(1,992)	(2,207)
Increase in current provisions	1,730	10,764
Net cash flow (used in) operating activities	<b>(1,580,434)</b>	<b>(1,934,282)</b>

There were no non-cash financing and investing activities.

**15. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES**

**Details of Key Management Personnel**

The following persons were directors of Comet Resources Limited during the financial year:

Mr RO Jones - Chairman  
Mr AR Cooper – Managing Director  
Mr E Czechowski – Non-Executive Director  
Mr HP Halliday – Non-Executive Director  
Mr D Prentice – Non-Executive Director  
Mr A Molyneux – Non-Executive Director

**Compensation by Category: Key Management Personnel, Directors and Executives**

	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Short-term	485,000	518,764
Post-employment	1,425	3,420
Share based payments	248,904	-
	<b>735,329</b>	<b>522,184</b>

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**15. DIRECTOR AND KEY MANAGEMENT PERSONNEL DISCLOSURES (cont)**

**Other transactions with directors and key management personnel**

- (i) Consultancy fees of \$330,000 per annum were paid or are payable at normal commercial rates to Alberta Resources Pty Ltd, a company controlled by Mr AR Cooper, for the provision of technical and administrative services.
- (ii) Consultancy fees of \$23,333 per annum were paid at normal commercial rates to Huntworth Pty Ltd, a company controlled by Mr E Czechowski.
- (iii) A total of \$15,000 was paid to Mr Molyneux as Director of the Company during the year ended 30 June 2019.
- (iv) A total of \$75,000 was paid to Mr Halliday during the period, \$15,000 of which were director fees and the remaining \$60,000 as Corporate Consulting fees.
- (v) A total of \$26,667 was paid to Mr Prentice as Director of the Company during the year ended 30 June 2019.
- (vi) A total of \$16,425 was paid to Mr Jones as Director of the Company during the year ended 30 June 2019

The above fees have been included in directors' and key management personnel remuneration disclosed in the remuneration report and the table above.

The terms and conditions of the transactions with directors and director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms length basis.

No amounts were receivable from directors and their director-related entities at reporting date arising from these transactions.

Amounts payable to directors and their director-related entities at reporting date arising from these transactions were as follows:

	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2018</b>
	\$	\$
Current payables		
Trade creditors (net of GST)	3,333	-
	3,333	-

**16. AUDITOR'S REMUNERATION**

	<b>CONSOLIDATED</b>	
	<b>2019</b>	<b>2018</b>
	\$	\$
Audit services:		
Auditors of the Company – Stantons International	28,173	17,222
	28,173	17,222

**17. COMMITMENTS**

**Exploration expenditure commitments**

The obligations to perform minimum exploration work on leases are not provided for in the accounts and are payable as follows:

Not longer than one year	141,000	145,000
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The Group may vary the exploration expenditure over the period by reducing its tenement holdings and/or applying for exemptions. Future expenditure will be based on the prospectivity of the tenements and/or the cash resources of the Group.

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**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to support the Group's operations.

The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations and in addition listed shares.

It is, and has been throughout the period under review, the Group's policy that trading in financial instruments may be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

*Interest rate risk*

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's cash and short-term deposits.

There is a limited amount of credit risk relating to the cash and cash equivalents that the Group holds in deposits. The Group received interest on its cash and cash equivalents, based on daily balances and at balance date, was exposed to a variable interest rate of 0.2% per annum.

The Group's cash reserves are only placed with major Australian banks. The Group is not materially exposed to changes in market interest rates.

The Group does not presently have customers and consequently does not have credit exposure to outstanding receivables. The Group may in the future be exposed to interest rate risk should it borrow funds for acquisition and development.

*Sensitivity Analysis*

The following tables summarise the sensitivity of the Group's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax loss and equity would have been affected as shown. The analysis has been performed on the same basis for 2019 and 2018.

<b>Consolidated Entity</b> <b>30 June 2019</b>	<b>Carrying</b> <b>Amount</b> <b>\$</b>	<b>Interest Rate Risk</b> <b>-1%</b>		<b>Interest Rate Risk</b> <b>+1%</b>	
		<b>Net Loss</b> <b>\$</b>	<b>Equity</b> <b>\$</b>	<b>Net Gain</b> <b>\$</b>	<b>Equity</b> <b>\$</b>
<i>Financial assets</i>					
Cash & cash equivalents	1,291,468	(12,915)	(12,915)	12,915	12,915

  

<b>Consolidated Entity</b> <b>30 June 2018</b>	<b>Carrying</b> <b>Amount</b> <b>\$</b>	<b>Interest Rate Risk</b> <b>-1%</b>		<b>Interest Rate Risk</b> <b>+1%</b>	
		<b>Net Loss</b> <b>\$</b>	<b>Equity</b> <b>\$</b>	<b>Net Gain</b> <b>\$</b>	<b>Equity</b> <b>\$</b>
<i>Financial assets</i>					
Cash & cash equivalents	819,776	(8,198)	(8,198)	8,198	8,198

None of the Group's financial liabilities is interest bearing. The remaining cash and cash equivalents at the reporting date are non-interest bearing.

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**18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**

*Foreign currency risk*

The Group operates solely within Australia at this time and is subject to limited foreign currency risk.

*Credit risk*

The Group trades only with recognised, creditworthy third parties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

There are no significant concentrations of credit risk within the Group.

*Liquidity risk*

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short-term deposits, grant funding and equity raising if required.

**19. FINANCIAL INSTRUMENTS**

The Group held the following financial instruments:

	Note	Floating Interest	Fixed interest maturing in:		Non Interest bearing	Total	Weighted average interest rate
			1 year or less	1-5 years			
		\$	\$	\$	\$	\$	
<b>CONSOLIDATED</b>							
<b>2019</b>							
Financial assets							
Cash and cash equivalents	6	1,291,468	-	-	-	1,291,468	0.2%
Trade and other receivables	7	-	-	-	-	-	0%
Listed securities		-	-	-	-	-	0%
Bonds	8	-	-	-	2,000	2,000	0%
		<u>1,291,468</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>1,293,468</u>	
Financial liabilities							
Trade and other payables	9	-	-	-	82,298	82,298	0%
		<u>-</u>	<u>-</u>	<u>-</u>	<u>82,298</u>	<u>82,298</u>	
Net financial assets		<u>1,291,468</u>	<u>-</u>	<u>-</u>	<u>(80,298)</u>	<u>1,211,170</u>	

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**19. FINANCIAL INSTRUMENTS (cont)**

	Note	Floating Interest	Fixed interest maturing in:		Non Interest bearing	Total	Weighted average interest rate
			1 year or less	1-5 years			
		\$	\$	\$	\$	\$	
<b>CONSOLIDATED</b>							
<b>2018</b>							
Financial assets							
Cash and cash equivalents	6	819,776	-	-	-	819,776	0.6%
Trade and other receivables	7	-	-	-	17,443	17,443	0%
Listed securities		-	-	-	-	-	0%
Bonds	8	-	-	-	2,000	2,000	0%
		<u>819,776</u>	<u>-</u>	<u>-</u>	<u>19,443</u>	<u>839,219</u>	
Financial liabilities							
Trade and other payables	9	-	-	-	84,290	84,290	0%
		<u>-</u>	<u>-</u>	<u>-</u>	<u>84,290</u>	<u>84,290</u>	
Net financial assets		<u>819,776</u>	<u>-</u>	<u>-</u>	<u>(64,847)</u>	<u>754,929</u>	

**Net fair values of financial assets and liabilities**

The net fair values of financial assets and financial liabilities at reporting date approximates their carrying amount.

	<b>CONSOLIDATED</b>	
	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
<b>Level 1</b>		
Cash and cash equivalents	1,291,468	819,776
Trade and other receivables	2,000	17,443
Trade and other payables	(82,298)	(84,290)
	<u>1,211,170</u>	<u>752,929</u>

**20. SHARE BASED PAYMENTS**

**(a) Recognised share based payment transactions**

Share based payment transactions recognised either as operational expenses in the statement of profit or loss and other comprehensive income or as capitalised project acquisition costs on capital raising costs in equity during the year were as follows:

	2019	2018
	\$	\$
Employee, Consultant and Director share based payments (note 20 (b))	250,896	36,149

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

**20. SHARE BASED PAYMENTS (cont)**

**(b) Employee, Consultant and Director share based payments**

**4 Million Incentive Options issued during the prior year**

4 million Incentive Options, exercisable at \$0.001, were issued during the year ended 30 June 2018 to Directors and Officers as approved by shareholders on 9 August 2017. The Incentive Options vest and become exercisable by the holder upon the Company achieving a JORC compliant resource as per the terms of the options. The expiry date of the option is 30 July 2022.

No share based payments recognised in the prior year as the management believed the performance condition will not be achieved. The Incentive Options vested during the current year. As a result, the share based payment expense in relation to the Incentive Options have been recognised during the current year. The fair value of the options was determined at the grant date using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

The table below summarises Incentive Options granted. The entire fair value was recognized as share based payment expense during the current year since the vesting condition was achieved during the current year:

Grant Date	Expiry date	Exercise price per option	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
09/08/2017	30/07/2022	\$0.001	-	4,000,000	3,000,000	-	1,000,000	1,000,000

The share based payment expense recognised during the period was \$248,400. The model inputs, not included in the table above, for Incentive Options granted during the year ended 30 June 2018 included:

- a) Incentive Options were granted for nil cash consideration;
- b) expected lives of the Incentive Options is 4.9 years from grant date;
- c) share price at grant date was \$0.063;
- d) expected volatility of 83.17%;
- e) expected dividend yield of nil; and
- f) a risk-free interest rate of 2.18%

**15.1 million Options issued during the current year**

15.1 million Options, exercisable at \$0.1 on or before 31 December 2019, were issued during the year ended 30 June 2019 to Director and Consultant as approved by shareholders on 8 April 2019.

The fair value at grant date of options granted during the reporting year was determined using the Black Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the option.

The table below summarises Options granted during the year ended 30 June 2019.

Grant Date	Expiry date	Exercise price per option	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Expired during the year Number	Balance at end of the year Number	Exercisable at end of the year Number
08/04/2019	31/12/2019	\$0.1	-	15,100,000	-	-	15,100,000	15,100,000

**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

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**20. SHARE BASED PAYMENTS (cont)**

The expense recognised in respect of the above Options which vested during the period was \$2,496. The model inputs, not included in the table above, for Options granted during the year ended 30 June 2019 included:

- a) 2,000,000 Options were granted for nil cash consideration for the Director;
- b) 13,100,000 Options were granted for \$0.0001 per option for the Consultant;
- c) expected lives of the Incentive Options is 0.73 years;
- d) share price at grant date was \$0.03;
- e) expected volatility of 71%;
- f) expected dividend yield of nil; and
- g) a risk-free interest rate of 1.33%

**21. PARENT ENTITY DISCLOSURES**

**(a) Financial Position**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,291,468	819,776
Trade and other receivables	-	17,443
<b>Total current assets</b>	<b>1,291,468</b>	<b>837,219</b>
<b>Non-current assets</b>		
Other financial assets (i)	2,000	2,000
<b>Total non-current assets</b>	<b>2,000</b>	<b>2,000</b>
<b>TOTAL ASSETS</b>	<b>1,293,468</b>	<b>839,219</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	82,298	84,290
Provisions	12,494	10,764
<b>Total current liabilities</b>	<b>94,792</b>	<b>95,054</b>
<b>TOTAL LIABILITIES</b>	<b>94,792</b>	<b>95,054</b>
<b>NET ASSETS</b>	<b>1,198,676</b>	<b>744,165</b>
<b>EQUITY</b>		
Issued capital	9,896,132	8,894,316
Shares to be issued	1,105,000	-
Reserves	907,962	655,756
Accumulated losses	(10,710,418)	(8,805,907)
<b>TOTAL EQUITY</b>	<b>1,198,676</b>	<b>744,165</b>

**(b) Financial Performance**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Loss for the year	(1,904,511)	(2,006,363)
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(1,904,511)</b>	<b>(2,006,363)</b>



**COMET RESOURCES LTD**  
**and its Controlled Entities**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**for the year ended 30 June 2019**

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**21. PARENT ENTITY DISCLOSURES (cont)**

**(i) Other Financial Assets**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Security bonds	2,000	2,000
	2,000	2,000

**Commitments and Contingencies**

The parent company has not provided any guarantees and does not have any other commitments or contingent assets or liabilities that are not disclosed elsewhere in the financial report except for those disclosed in Note 24.

**22. RELATED PARTY DISCLOSURES**

The consolidated financial statements include the financial statements of Comet and the subsidiaries listed in the following table.

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Comet Resources Limited – controlled entities		
Ravensthorpe Management Pty Ltd*^	100	100
Environmental Oil Solutions Pty Ltd*^	100	100

\* incorporated in Australia

^ dormant

Comet Resources Limited is the ultimate parent entity.

Transactions with key management personnel are disclosed in Note 15.

**23. EVENTS SUBSEQUENT TO REPORTING DATE**

The Group completed a share placement on the 1<sup>st</sup> of July 2019 for 37,500,000 fully paid ordinary shares and 18,750,000 one-for-two free attaching options at a price of \$0.03 per share to raise \$1,125,000 before costs. The one-for-two free attaching options are exercisable at \$0.06, expiring 30 June 2021.

There has not been any other significant changes in the state of affairs during the year ended 30 June 2019 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company.

**24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Group does not have any contingent liabilities or assets at balance date or date of this report.

**COMET RESOURCES LTD  
and its Controlled Entities  
DIRECTORS' DECLARATION**

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The Directors of Comet Resources Limited declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) the attached financial statements are in compliance with International Financial Reporting Standards;
- (c) in the Directors' opinion, the attached financial statements and notes thereto set out in pages 17 to 39 are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- (d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



**H Halliday  
Chairman**

Dated at Perth this 29th day of September 2019

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMET RESOURCES LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Comet Resources Limited (the Company and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and 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 2019 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 Company 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter:

As referred to Note 2(a) to the financial statements, the consolidated financial statements have been prepared on a going concern basis. As at 30 June 2019, the Group had cash and cash equivalents of \$1,291,468, incurred a loss of \$1,904,511 for the financial year ended 30 June 2019 and had net cash outflows from operations of \$1,580,434.

The ability of the Group to continue as a going concern and meet its planned exploration, administration and other commitments is dependent upon the Group raising further working capital and/or successfully exploiting its mineral assets. In the event that the Group is not successful in raising further equity or successfully exploiting its mineral assets, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

## 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.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matter described below to be a key audit matter to be communicated in our report.

Key Audit Matters	How the matter was addressed in the audit
<p><b>Share based payments – share options</b></p> <p>The Group awarded share-based payments in the form of share options. The awards vest subject to the achievement of certain vesting conditions.</p> <p>The Group used the Black-Scholes model in valuing the share-based awards.</p> <p>The Group has performed calculations to record the related share based payment expense of \$250,896 in the consolidated statement of profit or loss and other comprehensive income.</p> <p>Due to the complex nature of transaction and estimates used in determining the valuation of the share based payment arrangement and vesting expense, we consider the Group's calculation of the share based payment expense to be a key audit matter.</p> <p>In determining the fair value of the awards and related expense, the Group used assumptions in respect of future market and economic conditions.</p> <p>Refer to Note 20 to the financial report for the share based payment expenses recognised for the year ended 30 June 2019 and related disclosures.</p>	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"><li>i. Assessing the assumptions used in the Group's valuation of share options being the share price of the underlying equity, interest rate, volatility, dividend yield, time to maturity (expected life) and grant date;</li><li>ii. Assessing the fair value of the calculation through re-performance using the Black Scholes model; and</li><li>iii. Assessing the accuracy of the share based payments expense and the adequacy of disclosures made by the Group in the financial report.</li></ol>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019 but does not include the financial report and our 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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 Company'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 Company to cease to continue as a going concern.

We 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.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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 consolidated financial report of the current period and are therefore 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.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 9 to 11 of the directors' report for the year ended 30 June 2019. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**Opinion on the Remuneration Report**

In our opinion, the Remuneration Report of Comet Resources Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(Trading as Stantons International)  
(An Authorised Audit Company)

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
29 September 2019

29 September 2019

Board of Directors  
Comet Resources Limited  
Suite 9, 330 Churchill Avenue  
SUBIACO WA 6008

Dear Sirs

**RE: COMET RESOURCES LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Comet Resources Limited.

As Audit Director for the audit of the financial statements of Comet Resources Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED**



**Martin Michalik**  
Director

**COMET RESOURCES LTD  
and its Controlled Entities**

**ASX ADDITIONAL INFORMATION**

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

The information is made as at 25<sup>th</sup> September 2019.

Rank	Name	Units	% of Units
1	<b>GROUP # 49769</b>	<b>16,778,561</b>	<b>6.05</b>
.	ALBERTA RESOURCES PTY LTD <BRITISH COLUMBIA S/F A/C>	16,778,561	6.05
2	MR ROBERT OSWALD JONES <THE ROJEX A/C>	15,309,953	5.52
3	THE TWENTIETH CENTURY MOTOR COMPANY PTY LTD <WALKER FAMILY S/F A/C>	15,000,000	5.41
4	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	10,495,015	3.78
5	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	8,333,333	3
6	MS MICHAELA PIKE	7,300,000	2.63
7	MR JONATHAN MARK WILD	6,000,000	2.16
8	<b>GROUP # 23211</b>	<b>6,000,000</b>	<b>2.16</b>
.	PILLAGE INVESTMENTS PTY LTD <THE PILLAGE SUPER FUND A/C>	6,000,000	2.16
9	<b>GROUP # 32235</b>	<b>5,037,000</b>	<b>1.82</b>
.	ALBERTA RESOURCES PTY LTD <BRITISH COLUMBIA S/F A/C>	5,037,000	1.82
10	MR PAUL SIMON DONGRAY <THE DONGRAY FAMILY NO 2 A/C>	4,750,000	1.71
11	MR ARTHUR WILLIAM BARRETT + MRS VICKI GAYE BARRETT <THE FALCON SUPER FUND A/C>	4,500,000	1.62
12	MR RICHARD STUART DONGRAY + MRS JOAN DONGRAY <SUPER FUND A/C>	4,075,000	1.47
13	MCTAVISH INDUSTRIES PTY LTD <MCTAVISH A/C>	4,000,000	1.44
14	<b>GROUP # 11990</b>	<b>3,934,000</b>	<b>1.42</b>
.	ROJEX MINING SERVICES PTY LTD <ROJEX S/F A/C>	3,934,000	1.42
15	EMPIRE CAPITAL PARTNERS PTY LTD	3,495,333	1.26
16	HAMISH HALLIDAY	3,000,000	1.08
17	TENDEKA HOLDINGS PTY LTD <BULLER SUPER FUND A/C>	3,000,000	1.08
18	MR MICHAEL GRAHAM SHIELDS + MS AMANDA JOY SHIELDS <AM SUPERANNUATION FUND A/C>	2,940,000	1.06
19	CONTACIO COVE PTY LTD	2,916,632	1.05
20	<b>GROUP # 45016</b>	<b>2,685,733</b>	<b>0.97</b>
.	CITICORP NOMINEES PTY LIMITED	2,685,733	0.97
<b>Totals: Top 20 holders of CRL ORDINARY FULLY PAID</b>		<b>129,550,560</b>	<b>46.68</b>
<b>Total Remaining Holders Balance</b>		<b>147,949,440</b>	<b>53.32</b>
<b>Total Holders Balance</b>		<b>277,500,000</b>	<b>100</b>

**Number of shareholders**

277,500,000 fully paid ordinary shares are held by 887 shareholders.

**UNLISTED OPTIONS**

Exercise price	Expiry date	Number of options	Number of holders
\$0.04	31 December 2019	12,000,000	4
\$0.10	31 December 2019	28,150,000	40
\$0.10	31 December 2020	10,000,000	1
\$0.15	31 December 2020	5,000,000	1
\$0.001	30 July 2022	4,500,000	4



**COMET RESOURCES LTD  
and its Controlled Entities**

**ASX ADDITIONAL INFORMATION (CONT'D)**

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**Distribution of shareholders**

	<b>Fully Paid</b>
1-1,000	33
1,001-5,000	89
5,001-10,000	152
10,001-100,000	377
100,001 & over	236
<b>TOTAL</b>	<b>887</b>

**Holders of non-marketable parcels**

There are 387 shareholders that hold less than a marketable parcel totalling 3,324,649 fully paid ordinary shares.

**Voting rights**

On a show of hands each member is entitled to one vote and on a poll one vote for every fully paid share held.

**Substantial shareholders**

The following shareholders are recorded in the register of substantial shareholders:

ALBERTA RESOURCES PTY LTD <BRITISH COLUMBIA S/F A/C>	16,778,561	6.05
MR ROBERT OSWALD JONES <THE ROJEX A/C>	15,309,953	5.52
THE TWENTIETH CENTURY MOTOR COMPANY PTY LTD <WALKER FAMILY S/F A/C>	15,000,000	5.41

**Stock Exchange listing**

The Company's fully paid shares (CRL) are quoted by the Australian Securities Exchange Limited.

**Restricted securities**

The Company has no securities on issue that are classified as "Restricted Securities".

**On-market buy-back**

Currently there is no on-market buy-back of the Company's securities.

**CORPORATE GOVERNANCE STATEMENT**

In accordance with ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be found on the Company's website at: <https://www.cometres.com.au/corporate-governance>

**COMET RESOURCES LTD  
and its Controlled Entities**

**TENEMENT SCHEDULE**

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**Tenement List**

Project	Location	Tenement	Interest
Springdale	WA	E74/562	100%
		E74/583	100%
		E74/612	100%
Bell's find	NSW	M74/1055	25%