



# **Comet Resources Limited**

ABN 88 060 628 202

and its

**Controlled Entities**

**Half-Year Financial Report**

**31 December 2015**

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**COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**ABN 88 060 628 202**

**DIRECTORS' REPORT**

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**Directors**

Mr RO Jones - Chairman

Mr AR Cooper

Mr E Czechowski

Mr H Halliday

**Company Secretary**

Mr E Czechowski

**Registered Office &  
Principal Place of Business**

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23 Belgravia Street  
BELMONT WA 6104

Telephone: (08) 9475 7100

Facsimile: (08) 9277 4147

Email: [comet@cometres.com.au](mailto:comet@cometres.com.au)

**Share Registry**

Advanced Share Registry Services Pty Ltd  
150 Stirling Highway  
NEDLANDS WA 6009

**Auditor**

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, Western Australia

ASX Codes: CRL

**Web Page**

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

## COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN 88 060 628 202

### DIRECTORS' REPORT

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Your Directors submit their report for the half-year ended 31 December 2015.

#### **Directors**

The names of the Company's Directors in office during the half-year and until the date of their report are set out below. Directors were in office for this entire period unless otherwise stated.

#### **Robert (Roj) Oswald Jones (Chairman)**

Mr Jones was a founding Director of Comet and has been involved in the management of the Company's growth to date. Mr Jones has in excess of 30 years of experience in the mining industry with major resource development companies, worldwide.

Director since 15 July 1993, appointed Chairman in 1999.

#### **Anthony Roy Cooper**

Mr Cooper has been with Comet since 1994. He currently holds the position of technical director. From 1996 to 2002, Mr Cooper was responsible for the geological management of the Ravensthorpe Nickel Project.

Mr Cooper has over 20 years of experience in the mining and mineral exploration industries, with particular expertise on gold and base metals.

Director since 12 March 2001.

#### **Edmund Czechowski**

Edmund Czechowski is a Fellow of the Australian Society of Certified Practising Accountants. He has significant experience in accounting and secretarial roles within the resource sector. Mr Czechowski is also the Company Secretary.

Director since 30 May 2013.

#### **Hamish Halliday**

Mr Halliday holds a BSc (Geology) and is a Member of the Australasian Institute of Mining and Metallurgy. 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 Limited, both highly successful junior explorers. Mr Halliday is a Director of Venture Minerals Limited.

Director since 16 December 2014.

#### **RESULTS OF OPERATIONS**

The net loss of the consolidated entity for the six months to 31 December 2015 is \$213,067 (31 December 2014:\$267,064 loss). The net loss was largely due to expenditure on mineral exploration together with administration costs.

**COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**ABN 88 060 628 202**

**DIRECTORS' REPORT**

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**REVIEW OF OPERATIONS**

During the half-year the consolidated entity carried out its principal activities being:

- Exploration on a number of its wholly owned and managed exploration tenements and continued to identify and evaluate a number of resource assets/projects for acquisition and/or joint venture.

It is recommended that this half-yearly report be read in conjunction with the 30 June 2015 Annual Report and any public announcements made by the Group during the half year.

In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding exploration and other activities of the consolidated entity.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

No significant changes have occurred in the state of affairs of the consolidated entity.

**EVENTS SUBSEQUENT TO BALANCE DATE**

There have been no matters or circumstances that have arisen since 31 December 2015 that has significantly affected or may significantly affect:

- (a) the economic entity's operations in future years; or
- (b) the results of those operations in future years; or
- (c) the economic entity's state of affairs in future years.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is set out on page 14.

Signed in accordance with a resolution of the Directors.



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**AR Cooper**  
Director

Perth, 10 February 2016

COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN 88 060 628 202

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

		Consolidated	
		Half-year ended 31 Dec 15	Half-year ended 31 Dec 14
	Note	\$	\$
Administration expenses		(134,399)	(174,369)
Exploration expenses		(98,319)	(122,057)
<b>Operating result</b>		<u>(232,718)</u>	<u>(296,426)</u>
<b>Loss before interest and taxes and depreciation</b>		(232,718)	(296,426)
Depreciation		(-)	(84)
<b>Loss before interest and taxes</b>		(232,718)	(296,510)
Net other income	2(a)	19,651	29,446
<b>Loss before taxes</b>		<u>(213,067)</u>	<u>(267,064)</u>
<b>Net (loss) for the period</b>		(213,067)	(267,064)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>		-	-
<b>Items that may be reclassified subsequently to profit or loss</b>		-	-
<b>Total comprehensive (loss) for the period</b>		<u>(213,067)</u>	<u>(267,064)</u>
<b>Net (loss) attributable to the parent entity</b>		<u>(213,067)</u>	<u>(267,064)</u>
<b>Total comprehensive (loss) attributable to the members of the parent entity</b>		<u>(213,067)</u>	<u>(267,064)</u>
Basic loss per share (cents)		(0.26)	(0.32)
Diluted loss per share (cents)		(0.26)	(0.32)

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

**COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**ABN 88 060 628 202**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2015**

<b>Consolidated</b>			
	<b>Note</b>	<b>As at 31 Dec 15 \$</b>	<b>As at 30 June 15 \$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,157,437	1,402,460
Trade and other receivables		61,947	10,309
Available-for-sale financial assets	11	-	1,748
<b>TOTAL CURRENT ASSETS</b>		<b>1,219,384</b>	<b>1,414,517</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets		10,500	10,500
Plant and equipment		-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,500</b>	<b>10,500</b>
<b>TOTAL ASSETS</b>		<b>1,229,884</b>	<b>1,425,017</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		18,112	50,178
<b>TOTAL CURRENT LIABILITIES</b>		<b>18,112</b>	<b>50,178</b>
<b>TOTAL LIABILITIES</b>		<b>18,112</b>	<b>50,178</b>
<b>NET ASSETS</b>		<b>1,211,772</b>	<b>1,374,839</b>
<b>EQUITY</b>			
Issued capital	8	5,846,897	5,796,897
Reserves	9	606,493	606,493
Accumulated losses		(5,241,618)	(5,028,551)
<b>TOTAL EQUITY</b>		<b>1,211,772</b>	<b>1,374,839</b>

*The consolidated statement of financial position should be read in conjunction with the accompanying condensed notes.*

COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN 88 060 628 202

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated	
		Half-year ended 31 Dec 15 \$	Half-year ended 31 Dec 14 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(261,128)	(304,977)
Interest and rent received		16,105	29,479
<b>Net cash flows (used in) operating activities</b>		<u>(245,023)</u>	<u>(275,498)</u>
<b>Cash flows from investing activities</b>		-	-
<b>Net cash flows from investing activities</b>		<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>		-	-
<b>Net cash flows from financing activities</b>		<u>-</u>	<u>-</u>
<b>Net (decrease) in cash and cash equivalents</b>		(245,023)	(275,498)
<b>Cash and cash equivalents at beginning of period</b>		1,402,460	1,846,551
<b>Cash and cash equivalents at end of period</b>	3	<u>1,157,437</u>	<u>1,571,053</u>

*The consolidated statement of cash flows should be read in conjunction with the accompanying condensed notes.*

COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN 88 060 628 202

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Issued Capital \$	Accumulated Losses \$	Other Reserves \$	TOTAL \$
<b>As at 1 July 2014</b>	5,796,192	(4,542,312)	606,493	1,860,373
Net loss for the period	-	(267,064)	-	(267,064)
Total comprehensive (loss) for the period	-	(267,064)	-	(267,064)
<b>As at 31 December 2014</b>	5,796,192	(4,809,376)	606,493	1,593,309
<b>As at 1 July 2015</b>	5,796,897	(5,028,551)	606,493	1,374,839
Net loss for the period	-	(213,067)	-	(213,067)
Total comprehensive (loss) for the period	-	(213,067)	-	(213,067)
Shares issued	50,000	-	-	50,000
<b>As at 31 December 2015</b>	5,846,897	(5,241,618)	606,493	1,211,772

*The consolidated statement of changes in equity should be read in conjunction with the accompanying condensed notes.*



COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN 88 060 628 202

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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**Note 1: Summary of Significant Accounting Policies**

**a. Basis of Preparation**

These general purpose interim financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Comet Resources Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2015, together with any public announcements made during the following half-year.

These interim financial statements were authorized for issue on 10 February 2016.

**b. Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

Consolidated	
31 Dec 15	31 Dec 14
\$	\$

**Note 2: Loss from Ordinary Activities**

**(a) Net Other Income**

Interest received – other entities	18,399	26,996
Write down shares	(1,748)	-
Other income - rent	3,000	2,450
<b>Total net other income</b>	<b>19,651</b>	<b>29,446</b>

Consolidated

**Note 3: Cash and cash equivalents**

	31 Dec 15	30 Jun 15
	\$	\$
Cash	125,028	58,325
Bank bills and short term deposits maturing within 90 days	1,032,409	1,344,135
	<b>1,157,437</b>	<b>1,402,460</b>

Reconciliation of cash and cash equivalents

Cash at the end of the financial period as shown in the Consolidated Statement of Cash Flows is reconciled to items in the Consolidated Statement of Financial Position as follows:

**COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

ABN 88 060 628 202

**CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

<b>Note 3: Cash and cash equivalents (cont'd)</b>	<b>31 Dec 15</b>	<b>30 Jun 15</b>
	\$	\$
Cash and cash equivalents	1,157,437	1,402,460

**Note 4: Segment Reporting**

The economic entity operates entirely in Australia and predominantly in the field of mineral exploration. The bio-technology operation was shut down with effect from the financial year ended 30 June 2014.

<b>31 December 2015</b>	<b>Bio-Tech \$</b>	<b>Exploration \$</b>	<b>Unallocated \$</b>	<b>Total \$</b>
Revenue	-	-	19,651	19,651
Expenses	-	(98,319)	(134,399)	(232,718)
Segment results	-	(98,319)	(114,748)	(213,067)

<b>31 December 2014</b>	<b>Bio-Tech \$</b>	<b>Exploration \$</b>	<b>Unallocated \$</b>	<b>Total \$</b>
Revenue	-	-	29,446	29,446
Expenses	(80)	(122,057)	(174,373)	(296,510)
Segment results	(80)	(122,057)	(144,927)	(267,064)

From 1 July 2009, 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 consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position.

**Note 5: Earnings per share**

	<b>2015 Number</b>	<b>2014 Number</b>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	83,461,506	83,003,370
	<b>2015 Number</b>	<b>2014 Number</b>
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	83,461,506	83,003,370

**Note 6: Contingent Liabilities and Contingent Assets**

The economic entity does not have any contingent assets or liabilities outstanding at 31 December 2015.

**Note 7: Dividends**

There are no dividends paid or payable during the half-year.

COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN 88 060 628 202

CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

**Note 8: Issued Capital**

	31 Dec 15 No.	31 Dec 14 No.	31 Dec 15 \$	31 Dec 14 \$
<b>(a) Share Capital</b>				
Issued share capital	86,809,100	83,003,370	5,846,897	5,796,192
<b>(b) Share movements during the period</b>				
Balance brought forward	83,006,895	83,003,370	5,796,897	5,796,192
Issued during the period	3,802,205	-	50,000	-
<b>At the end of the period</b>	<b>86,809,100</b>	<b>83,003,370</b>	<b>5,846,897</b>	<b>5,796,192</b>

During the period the Group did not issue any shares.

**Note 9: Reserves**

	Fair Value \$	Share Based Payments \$	Total \$
As at 1 July 2015	-	606,493	606,493
As at 31 December 2015	-	606,493	606,493

	Fair Value \$	Share Based Payments \$	Total \$
As at 1 July 2014	-	606,493	606,493
As at 31 December 2014	-	606,493	606,493

**Note 10: Subsidiaries**

Environmental Oil Solutions Pty Ltd – 100%  
Ravensthorpe Management Pty Ltd – 100%

**Note 11: Available for sale financial assets**

The available for sale financial assets comprise 14,563 shares in a listed entity. In terms of AASB 13 "Fair Value Measurement", the listed shares are regarded as a Level 1 asset for measurement purposes and therefore the fair value is based on the quoted price at 31 December 2015. The shares are currently suspended from trading and have been written down to nil value.

**COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**ABN 88 060 628 202**

**CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

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**Note 12: Directors' Incentive Shares**

At the Company's AGM held on 12 November 2015 Shareholders approved the issue of 6 million Incentive Shares to Directors as follows:

<b>Director</b>	<b>Number</b>	<b>Value</b>
		<b>\$</b>
Mr RO Jones	750,000	975
MR AR Cooper	3,000,000	3,900
Mr H Halliday	1,500,000	1,950
Mr E Czechowski	750,000	975

The estimated value of the Incentive Shares was calculated using the Binomial Pricing Model.

The Incentive Shares were issued on 24 November 2015 and the deemed value will be expensed over the estimated vesting period. No share based payment has been booked at 31 December 2015 as the amount was not material.

**The terms of the Incentive Shares are as follows:**

1. The Incentive Shares are a separate class of Shares that will be convertible into Shares in the Company. They do not carry any voting rights in the Company or rights to participate in new issues (whether bonus or rights) in the Company;
2. Each Incentive Share will convert into one (1) Ordinary Share upon the earlier of:
  - (a) the volume weighted average price for 30 days of Comet Resources Limited Shares exceeds \$0.10 (Share Price Milestone); or
  - (b) the Company directly or indirectly secures or defines an asset with JORC measured and indicated resources exceeding 250,000 gold or gold equivalent ounces (Resource Milestone); or
  - (c) a takeover bid becoming unconditional; entering into and the Court approving a solvent scheme of arrangement or reconstruction which has the effect of changing the control of the Company, (each of the above being a Takeover Event).
3. If the Share Price Milestone or the Resource Milestone are not achieved, or a takeover Event has not occurred within 3 years from the date of issue each Incentive Shares will lapse
4. The Incentive Shares are unlisted and are not transferable;
5. In the event of any reconstruction (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Incentive Shares, all rights of the Shareholder will be reconstructed (as appropriate) in accordance with the Listing Rules;
6. Incentive shareholders are not entitled to participate in new issues of securities offered to shareholders. Incentive shareholders can participate in new issues of securities offered to shareholders if the Incentive Share is converted before the relevant record date for that new issue.

COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

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CONDENSED CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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**Note 13: Directors' Incentive Shares (cont'd)**

7. Shares allotted pursuant to the convert of the Incentive Shares will rank equally with the then issued ordinary Shares of the Company; and
8. The Company undertakes to apply for official quotation by the ASX of all ordinary Shares allotted pursuant to the convert of any Incentive Shares, within 10 business days the date of allotment of those new Ordinary Shares.

**COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**ABN 88 060 628 202**

**DIRECTORS' DECLARATION**

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The Directors of Comet Resources Limited declare that:

- (a) the financial statements and notes, set out on pages 4 to 12 are in accordance with the Corporations Act 2001:
- give a true and fair view of the financial position as at 31 December 2015 and of the performance for the half-year ended 31 December 2015 of the economic entity; and
  - comply with Accounting Standards and the Corporations Regulations 2001;
- (b) 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.

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



.....  
**AR Cooper**  
Director

Perth, 10 February 2016

10 February 2016

The Directors  
Comet Resources Limited  
Unit 2  
23 Belgravia Street  
Belmont WA 6104

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 review of the financial statements of Comet Resources Limited for the period ended 31 December 2015, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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



**Martin Michalik**  
Director

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

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Comet Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Comet Resources Limited (the consolidated entity). The consolidated entity comprises both Comet Resources Limited (the Company) and the entities it controlled during the half year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Comet Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Comet Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.



*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Comet Resources Limited on 10 February 2016.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Comet Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 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  
10 February 2016