

COMET RESOURCES LIMITED

ACN 060 628 202

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

For the Annual General Meeting of the Company to be held at 11.00 am
(WST) on Wednesday, 2nd November 2016 at
The Boardroom
Kalamunda Hotel
43 Railway Road
Kalamunda, Western Australia

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

A Proxy Form is enclosed

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9466 7770

NOTICE OF 2016 ANNUAL GENERAL MEETING

Notice is hereby given that the 2016 Annual General Meeting of Shareholders of Comet Resources Limited (**Company**) will be held at the Boardroom, Kalamunda Hotel, 43 Railway Parade, Kalamunda, Western Australia on Wednesday, 2nd November 2016 at 11.00 am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice of Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 that the persons eligible to vote at the Annual General Meeting are those who are registered as Shareholders on 31st October 2016 at 5.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in 0.

AGENDA

1. Financial Statements and Reports

To receive and consider the Financial Report together with the Directors' Report and the Independent Auditor's Report for the Company and its controlled entities for the year ended 30 June 2016.

2. Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following in accordance with section 250R(2) of the Corporations Act 2001 as a **non-binding resolution**:

"That the Directors' Remuneration Report as set out in the Annual Report for the year ended 30 June 2016 be adopted."

In accordance with section 250R(2) of the Corporations Act 2001 ("Corporations Act"), the vote on Resolution 1 will be advisory only. However, if more than 25% of the votes cast on this resolution are against the resolution, then the Board Spill Resolution set out in Resolution 2 will be put to Shareholders for their consideration and vote.

Voting Exclusion Statement

The following voting exclusion statement applies under the Listing Rules or, where applicable the provisions of the Corporations Act, whereby a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel of the Company (including the Directors) whose remuneration details are included in the remuneration report, or a Closely Related Party of such member (as these persons are not entitled to cast a vote in their own capacity). However, a vote may be cast by such person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
 - (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.
-

3. Resolution 2 – Board Spill Meeting Resolution (if required)

If less than 25% of the votes cast on Resolution 1 are voted against the adoption of the Remuneration Report, the Chairman will withdraw Resolution 2.

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of section 250V(1) of the Corporations Act and for all other purposes:

- (i) *an extraordinary meeting of Shareholders (the "Spill Meeting) be held within 90 days of the passing of this resolution;*

- (ii) all the Company's Directors (other than the Managing Director) who were in office when the Directors' Resolution to have the Directors' Remuneration Report for the year ended 30 June 2016 considered at the Annual General Meeting was passed (being Robert Jones, Edmund Czechowski and Hamish Halliday) and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and
- (iii) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of Shareholders at the Spill Meeting".

Voting Exclusion Statement

The following voting exclusion statement applies under the Listing Rules or, where applicable the provisions of the Corporations Act, whereby a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel of the Company (including the Directors) whose remuneration details are included in the remuneration report, or a Closely Related Party of such member (as these persons are not entitled to cast a vote in their own capacity). However, a vote may be cast by such person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

The Company is not required to disregard any votes cast, including by a member of the KMP (including each of the directors and executives named in the Company's Remuneration Report) or that KMP's closely related party on the resolutions to re-elect Directors at the Spill Meeting.

4. Resolution 3 – Re-election of Director – Mr Edmund Czechowski

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Edmund Czechowski, who retires by way of rotation pursuant to Article 3.6 of the Company's Constitution and being eligible, is re-elected as a Director of the Company."

5. Resolution 4 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 over a 12 month period on the terms and condition set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

Dated 26th September 2016

BY ORDER OF THE BOARD



Edmund Czechowski
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at the Boardroom, Kalamunda Hotel, 43 Railway Parade, Kalamunda, Western Australia on Wednesday 2nd November 2016 at 11.00 am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 as proxy if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or

- (b) the person is the Chairman and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution1; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of the Key Management Personnel.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 4 to 6 (inclusive) if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on Resolutions 4 to 6 (inclusive).

However, the prohibition does not apply if:

- (a) the proxy is the Chairman; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if the Resolutions 4 and 6 (inclusive) are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report which is online at <http://www.cometres.com.au> and click on the direct link;
- (b) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

The Corporations Act requires that at a listed Company's Annual General Meeting, a resolution that the Directors' Remuneration Report be adopted and put to Shareholders.

The Directors' Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company ("KMP"). The Remuneration Report is part of the Directors' Report contained in the Annual Report of the Company for the financial year ended 30 June 2016.

Voting consequences

In accordance with section 250R of the Corporations Act, the vote on Resolution 1 is advisory only and does not bind the Directors or the Company. However, at the Company's 2015 Annual General Meeting more than 25% of the votes were cast against the adoption of the 2015 Remuneration Report. If at the 2016 Annual General Meeting 25% or more of votes are cast against the adoption of the Remuneration Report, Shareholders are required to vote on Resolution 2 ("Spill Resolution") on whether a further general meeting of the Company ("Spill Meeting") will be convened at which all of the Company's Directors must stand for re-election should they wish to continue as Directors.

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a Spill Meeting within 90 days after the Spill Resolution was passed.

If the Spill Resolution is passed, all of the Directors of the Company who were on office when the Directors' Report was approved will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors of the Company is approved will be Directors of the Company.

As set out in the Explanatory Memorandum in relation to Resolution 2 below, if at the 2016 Annual General Meeting 25% or more votes cast are against Resolution 1 Shareholders will be required to vote on Resolution 2.

Why should Shareholders vote in favour of the Remuneration Report?

The Board has noted and considered the no vote received against the 2015 Remuneration Report. After consideration of the feedback received from shareholders and stakeholders, the Board believes that the Company's remuneration strategies should not only deliver sustainable value for its shareholders, but should reflect the challenging global conditions currently facing the Company.

Directors' Recommendation

The Remuneration Report forms part of the Directors' Report which has unanimously been adopted by resolution of the Board. The Directors recommend that Shareholders vote **in favour** of adopting the Remuneration Report.

5. Resolution 3 – Re-election of Director – Mr Edmund Czechowski

Article 3.6 of the Constitution requires that one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt) must retire at each annual general meeting.

Article 3.6 of the Constitution states that a Director who retires under Article 3.6 is eligible for re-election.

In accordance with the Constitution, Mr. Edmund Czechowski will retire by rotation and seek re-election.

Details of the qualifications and experience of Mr. Czechowski are in the Financial Report.

The Board believes that Mr. Czechowski has performed the duties and responsibilities of an Executive Director diligently and professionally, in the best interests of all Shareholders.

6. Resolution 4 – Approval of 10% Placement Facility

6.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

The Company is currently undertaking exploration activities at its existing projects and is also seeking to acquire new resources assets or investments. The Company may use the funds raised from the issue of Equity Securities under the 10% Placement Facility on its existing projects and/or acquisition of new resource assets or investments.

6.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of Equity Securities, Shares and Listed Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 133,000,000 Shares and therefore has a capacity to issue:

- (i) 19,950,000 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 4, 13,300,000 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

6.3 Listing Rule 7.1A

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

6.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0195 50% decrease in Issue Price	\$0.039 Issue Price	\$0.078 100% increase in Issue Price
133,000,000 Current Variable A	10% Voting Dilution	13,300,000 Shares	13,300,000 Shares	13,300,000 Shares
	Funds raised	\$259,350	\$518,700	\$1,037,400
199,500,000 50% increase in current Variable A	10% Voting Dilution	19,950,000 Shares	19,950,000 Shares	19,950,000 Shares
	Funds raised	\$389,025	\$778,050	\$1,556,100
266,000,000 100% increase in current Variable A	10% Voting Dilution	26,600,000 Shares	26,600,000 Shares	26,600,000 Shares
	Funds raised	\$518,700	\$1,037,400	\$2,074,800

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Listed Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.039, being the closing price of the Shares on ASX on 19 September 2016.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking)).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards the exploration activities at its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisition) and general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

- (e) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its 2015 Annual General Meeting. During the 12 month period prior to the date of this Notice of Meeting, the Company issued 49,993,105 Equity Securities representing 60.22% of the total number of securities on issue 12 months ago. None of the Equity Securities were issued under the Additional Placement Capacity. The details of the Equity Securities issued are as follows:

Number of Equity Securities Issued	Class of Equity Securities Issued	Name of Person to whom Equity Securities were issued to	Issue Price	Cash Consideration	Discount
3,802,205	Ordinary FP	Director & related party	\$0.013	\$50,000	Nil
3,500,000	Ordinary FP	Fairplan Holdings Pty Ltd	\$0.01	\$35,000	Nil
17,932,275	Ordinary FP	Clients of Cicero Advisory Services Pty Ltd	\$0.02	\$358,645	Nil
24,758,625	Ordinary FP	Clients of Cicero Advisory Services Pty Ltd, Directors and their related parties	\$0.02	\$495,172	Nil
49,993,105	TOTAL		TOTAL	\$938,817	

Following the 2015 AGM 6,000,000 unquoted Incentive Shares were issued to Directors and related parties for no consideration and lapse on 24 November 2018.

Following the General Meeting held on 26 August 2016 the following were issued on 13 September 2016:

12,000,000 unquoted Options exercisable at \$0.04 cents each on or before 31 December 2019 for \$1,200 consideration;

12,000,000 unquoted Options exercisable at \$0.10 cents each on or before 31 December 2019 for \$1,200 consideration; and

12,000,000 unquoted Incentive Options exercisable at \$0.001 each on or before 30 July 2021 for \$1,200 consideration.

- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Schedule 1 – Definitions

In this Notice and the Explanatory Memorandum:

\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 6.1.

10% Placement Period has the meaning given in Section 6.2(f).

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2016.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the Auditor's Report on the Financial Report.

Board means the Board of Directors.

Business Day means:

- (g) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (h) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

Chair or **Chairman** means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party means:

- (i) a spouse or child of the member; or
- (j) has the meaning given in section 9 of the Corporations Act.

Comet and **Company** means Comet Resources Limited ACN 060 628 202.

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Incentive Option means an unquoted Incentive Option which entitles the holder to subscribe for one Share.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice of Meeting.

Notice means this notice of meeting.

Option means an unquoted Option which entitles the holder to subscribe for one Share.

Proxy Form means the proxy form attached to the Notice of Meeting.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in the Notice of Meeting.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Schedule means a schedule to this Notice of Meeting.

Section means a section contained in the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

VWAP means the volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

The Company Secretary
Comet Resources Limited

By delivery:

Unit 1
4 Kalamunda Road
Kalamunda WA 6076

By post:

Unit 1
4 Kalamunda Road
Kalamunda WA 6076

By email:

comet@cometres.com.au

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We¹ _____ of _____

being a Member/s of Comet Resources Limited pursuant to my/our right to appoint not more than two proxies, appoint

The Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy²

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at 11.00 am (WST) on Wednesday, 2nd November 2016, at the Boardroom, Kalamunda Hotel, 43 Railway Parade, Kalamunda, Western Australia and at any adjournment or postponement of that Meeting.

Important – If the Chairman of the Meeting is your proxy or is appointed your proxy by default

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 1 and 2. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolutions 1 and 2, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolutions 1 and 2 even if Resolutions 1 and 2 are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with

Step 2 – Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain*
Resolution 1	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Board Spill Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mr Edmund Czechowski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder <div style="border: 1px solid black; height: 25px; width: 100%;"></div> Director/Sole Director and Sole Company Secretary	Shareholder <div style="border: 1px solid black; height: 25px; width: 100%;"></div> Director	Shareholder <div style="border: 1px solid black; height: 25px; width: 100%;"></div> Director/Company Secretary
Contact Name	Contact Daytime Telephone	Date

¹Insert name and address of Shareholder

² Insert name and address of proxy

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate 'Certificate of Appointment of Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the office of the Company at Unit 1, 4 Canning Road, Kalamunda, Western Australia, or by post to Unit 1, 4 Canning Road, Kalamunda, Western Australia, 6076 or by email to comet@cometres.com.au not less than 48 hours prior to the time of commencement of the Meeting (WST).