



Comet Resources Limited

ABN 88 060 628 202

and its

Controlled Entities

Half-Year Financial Report

31 December 2014

COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN 88 060 628 202

DIRECTORS' REPORT

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**

Unit 2
23 Belgravia Street
BELMONT WA 6104

Telephone: (08) 9475 7100

Facsimile: (08) 9277 4147

Email: 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 & CRLO

Web Page

www.cometres.com.au

COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN 88 060 628 202

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2014.

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 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 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 and a Fellow of the Australian Institute of Company Directors. 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 2014 is \$267,064 (31 December 2013:\$348,412 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

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 2014 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 2014 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 12.

Signed in accordance with a resolution of the Directors.



.....
AR Cooper
Director

Perth, 10 February 2015

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 2014

		Consolidated	
	Note	Half-year ended 31 Dec 14 \$	Half-year ended 31 Dec 13 \$
Administration expenses		(174,369)	(221,693)
Exploration expenses		(122,057)	(165,669)
Operating result		(296,426)	(387,362)
Loss before interest and taxes and depreciation		(296,426)	(387,362)
Depreciation		(84)	(826)
Loss before interest and taxes		(296,510)	(388,188)
Net other income	2(a)	29,446	39,776
Loss before taxes		(267,064)	(348,412)
Net (loss) for the period		(267,064)	(348,412)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive (loss) for the period		(267,064)	(348,412)
Net (loss) attributable to the parent entity		(267,064)	(348,412)
Total comprehensive (loss) attributable to the members of the parent entity		(267,064)	(348,412)
Basic loss per share (cents)		(0.32)	(0.42)
Diluted loss per share (cents)		(0.32)	(0.42)

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 2014

Consolidated			
	Note	As at 31 Dec 14 \$	As at 30 June 14 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,571,053	1,846,552
Trade and other receivables		23,823	19,696
Available-for-sale financial assets	11	3,495	4,660
TOTAL CURRENT ASSETS		<u>1,598,371</u>	<u>1,870,908</u>
NON-CURRENT ASSETS			
Other financial assets		10,500	10,500
Plant and equipment		-	84
TOTAL NON-CURRENT ASSETS		<u>10,500</u>	<u>10,584</u>
TOTAL ASSETS		<u>1,608,871</u>	<u>1,881,492</u>
CURRENT LIABILITIES			
Trade and other payables		15,562	21,119
TOTAL CURRENT LIABILITIES		<u>15,562</u>	<u>21,119</u>
TOTAL LIABILITIES		<u>15,562</u>	<u>21,119</u>
NET ASSETS		<u>1,593,309</u>	<u>1,860,373</u>
EQUITY			
Issued capital	8	5,796,192	5,796,192
Reserves	9	606,493	606,493
Accumulated losses		(4,809,376)	(4,542,312)
TOTAL EQUITY		<u>1,593,309</u>	<u>1,860,373</u>

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 2014

		Consolidated	
		Half-year ended 31 Dec 14 \$	Half-year ended 31 Dec 13 \$
	Note		
Cash flows from operating activities			
Payments to suppliers and employees		(304,977)	(389,808)
Interest and rent received		29,479	25,685
Net cash flows (used in) operating activities		<u>(275,498)</u>	<u>(364,123)</u>
Cash flows from investing activities		-	-
Net cash flows (used in) investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Capital raising costs		-	-
Net cash flows (used in) financing activities		<u>-</u>	<u>-</u>
Net (decrease) in cash and cash equivalents		(275,498)	(364,123)
Cash and cash equivalents at beginning of period		1,846,551	1,929,936
Cash and cash equivalents at end of period	3	<u>1,571,053</u>	<u>1,565,813</u>

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

COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Issued Capital \$	Accumulated Losses \$	Other Reserves \$	TOTAL \$
As at 1 July 2013	<u>5,796,192</u>	<u>(4,455,110)</u>	<u>606,493</u>	<u>1,947,575</u>
Net loss for the period	-	(348,412)	-	(348,412)
Total comprehensive (loss) for the period	-	(348,412)	-	(348,412)
As at 31 December 2013	<u>5,796,192</u>	<u>(4,803,522)</u>	<u>606,493</u>	<u>1,599,163</u>
As at 1 July 2014	<u>5,796,192</u>	<u>(4,542,312)</u>	<u>606,493</u>	<u>1,860,373</u>
Net loss for the period	-	(267,064)	-	(267,064)
Total comprehensive (loss) for the period	-	(267,064)	-	(267,064)
As at 31 December 2014	<u>5,796,192</u>	<u>(4,809,376)</u>	<u>606,493</u>	<u>1,593,309</u>

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 2014

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 2014 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 2014, together with any public announcements made during the following half-year.

These interim financial statements were authorized for issue on 10 February 2015.

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 14	31 Dec 13
\$	\$

Note 2: Loss from Ordinary Activities

(a) Net Other Income

Interest received – other entities	26,996	32,044
Other income - rent	2,450	7,732
Total Revenue	29,446	39,776

Consolidated

Note 3: Cash and cash equivalents

31 Dec 14	30 Jun 14
\$	\$
Cash	45,784
Bank bills and short term deposits maturing within 60 days	1,525,269
	1,571,053
	1,846,552

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:

Cash and cash equivalents	1,571,053	1,846,552
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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 2014

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.

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

31 December 2013	Bio-Tech \$	Exploration \$	Unallocated \$	Total \$
Revenue	-	-	39,776	39,776
Expenses	(81,441)	(165,669)	(141,078)	(388,188)
Segment results	(81,441)	(165,669)	(101,302)	(348,412)

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

	2014 Number	2013 Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	83,003,370	83,003,370

	2014 Number	2013 Number
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	83,003,370	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 2014.

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 2014

Note 8: Issued Capital

	31 Dec 14 No.	31 Dec 13 No.	31 Dec 14 \$	31 Dec 13 \$
(a) Share Capital				
Issued share capital	83,003,370	83,003,370	5,796,192	5,796,192
(b) Share movements during the period				
Balance brought forward	83,003,370	83,003,370	5,796,192	5,796,192
At the end of the period	83,003,370	83,003,370	5,796,192	5,796,192

During the period the Group did not issue any shares.

Note 9: Reserves

	Fair Value \$	Share Based Payments \$	Total \$
As at 1 July 2013	-	606,493	606,493
As at 31 December 2013	-	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%

Note 11: Available for sale financial assets

The available for sale financial assets comprise 582,500 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 2014.

COMET RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ABN 88 060 628 202

DIRECTORS' DECLARATION

The Directors of Comet Resources Limited declare that:

- (a) the financial statements and notes, set out on pages 4 to 10 are in accordance with the Corporations Act 2001:
 - give a true and fair view of the financial position as at 31 December 2014 and of the performance for the half-year ended 31 December 2014 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 2015

10 February 2015

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 2014, 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 2014, 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 2014 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 2015.

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 2014 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 2015