



ANNUAL REPORT

COMET RESOURCES LIMITED

ABN 88 060 628 202

30 June 2007

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

Directors

RO Jones (Chairman)
AR Cooper (Chief Executive Officer)
RN Hill

Company Secretary

N Lloyd

Registered Office

Level 9
190 St Georges Terrace
PERTH WA 6000
Telephone: 61 8 9322 5330
Facsimile: 61 8 9322 5988

Share Registry

Advanced Share Registry Services Pty Ltd
110 Stirling Highway
NEDLANDS WA 6009
Telephone: 61 8 9389 8033
Facsimile: 61 8 9389 7871

Auditors

Stantons International
1 Havelock Street
WEST PERTH WA 6005

Stock Exchange Listing

The Company is listed on the Australian Stock Exchange Limited
Home Exchange: Perth
ASX Code: CRL - fully paid shares

Web Page www.cometres.com.au

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

Dear Fellow shareholder,

Your Directors present the Annual Report and Audited Financial Statements of the Company for the year ended 30 June 2007.

During the year the Company has made significant progress in both evaluating the Browns Reef lead-zinc, base metal Project and developing the technology of the Environmental Oils Solutions (EOS) Project. In addition the value of the Company's shareholding in Ferrowest Limited (ASX Code: FWL) has significantly increased and the Utopia Project has attracted a joint venture with Newmont/Sipa.

Ongoing funding of the Projects was maintained with no dilution to shareholders through tax refunds, grants and sale of listed security investments.

The Browns Reef Project in New South Wales is seen as having the potential for a large base metal resource. Diamond drilling commenced in late 2006 and has been as continuous as possible although progress has been hampered by availability and reliability issues with the diamond drill rigs, the hire of which the Company is competing in a very tight market. Results have confirmed Comet's concept that Browns Reef has the potential to host an extensive zone of mineralisation ie + 50 million tonne resource. Drilling is continuing to delineate further resources.

As may be expected progress in the EOS Project research has led to opportunities relating to other products that are down different avenues from the original bacterial formulation. Some highlights of this year's work have been:

- optimisation of conditions for the scale-up, manufacture and activity of new micro-organisms that potentially fast track commercialisation;
- demonstrated reduction in viscosity, increased oil degradation and ease of pumping of waste samples;
- isolation of other important organisms for rapid degradation of waste oils;
- lodgement of a Patent Application and development work on several other potential Patents;
- continuation of financial support from the Government of South Australia; and
- enhancement of the R and D team by selective recruitment.

We will continue to endeavour to manage your funds in a sensible and judicious manner and look forward to providing further tangible rewards to shareholders in the future.

Yours faithfully,



R.O.JONES
Chairman

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

The directors present their report together with the financial report of Comet Resources Limited ("Comet or the Company") and the consolidated financial report of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2007 and the auditors' report thereon.

Directors

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

Mr Robert (Roj) Oswald Jones (Chairman) Bsc (Joint Hons), FAusIMM(CP)

Mr Jones was a founding director of Comet. Mr Jones has over 30 years experience in the mining industry with major resource development companies worldwide.

Director since 1993 – appointed Chairman in 1999.

Mr Jones resigned as a Director of Prosperity Resources Limited on 23 October 2006 having being a director since 12 September 2003 and has had no other Directorships in listed companies in the last 3 years.

Mr Anthony (Tony) Roy Cooper (Chief Executive Officer) B(app)Sc (Geol), FAusIMM

Mr Cooper joined Comet in 1994. From 1996 to 2001 Mr Cooper was responsible for the geological and resource management of the Ravensthorpe Nickel Project.

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

Director since March 2001.

No other Directorships in listed companies in the last 3 years.

Mr Roger Norman Hill (Non Executive Director) LLB

Mr Hill was a founding director of Comet and was a Board member initially until 1997. He has experience as a director of public and private companies in a number of industries, including mining and resource. Mr Hill presently manages his own business interests.

Mr Hill was formerly a partner in a Perth law firm for 10 years.

Director since 22 March 2004.

No other Directorships in listed companies in the last 3 years.

Company Secretary

Ms Narelle Lloyd LLB B.Com CA

Secretary since 28 April 2006

Ms Lloyd is a Chartered Accountant and has over 7 years experience as Company Secretary and Financial Officer of both private and publicly listed companies.

Ms Lloyd also works as a consultant specialising in the co-ordination and project management of capital raisings and associated due diligence procedures as well as the provision of company secretarial and financial management services.

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

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 Stock 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	Class A Incentive Shares	Class B Incentive Shares
RO Jones	9,263,341	750,000	1,250,000
AR Cooper	4,402,623	1,000,000	1,500,000
RN Hill	4,175,045	500,000	750,000

Earnings per Share

	Cents
Basic earnings/(loss) per Share	2.15
Diluted earnings/(loss) per share	2.15

Dividends

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

Nature of Operations and Principal Activities

The principal activities of the Comet Resources Ltd during the course of the financial year were:

- mineral exploration; and
- research and development of biotechnological products for environmentally sound issues in the oil/remediation industry.

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

Results

The operating profit after income tax of the consolidated entity for the financial year was \$1,460,965 (2006: \$(678,938)).

Operating and Financial Review

New South Wales Exploration Projects

Browns Reef Base Metal Project (100% Comet)

The Browns Reef Project is located approximate 5 kms west of the township of Lake Cargelligo and approximately 470 kms west of Sydney. Lake Cargelligo is serviced by the New South Wales rail network and there is a gas pipeline within approximately 100km. The tenement numbers are EL6549 and EL6321 and cover 57.5 km². The project occurs mainly on Freehold agricultural land. Established roads and tracks allow ready access.

During the year, 8 Diamond holes (BR0007 to BR0014) were completed for 2,641m.

The drilling to date has demonstrated that the width and style of mineralisation intercepted during this current programme is consistent with late 1970's to mid 1980's drilling by Electrolytic Zinc Company of Australasia Ltd (**EZ**). The mineralised zone is still open along strike and at depth and current work supports Comet's original concept that Browns Reef has the potential to host an extensive zone of mineralisation with a large tonnage (+50 million tonne) ore body.

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

New South Wales Exploration Projects (cont'd)

Comet has calculated an initial **Inferred Resource of 20.5 Million Tonnes at 2% Zinc (Zn), 1.1% Lead (Pb), 0.1% Copper (Cu), and 9g/t Silver (Ag)** which covers a 1 km strike length and is open along strike and at depth (Figure 1 and 2). The surface expression of mineralisation (defined by gossans, surface sampling and auger sampling) can be traced for over 10 kms in a north-north west direction. Table 1 lists drill hole mineralised intersections by EZ diamond drilling and Comet's drilling and Table 3 lists collar location. Best drill hole intersection is in **BR0002 from 288m with 45.3m @ 3.01% Zn, 1.71% Pb, 0.10% Cu and 8.1ppm Ag**. This intersection contains **20m @ 4.95% Zn, 2.77% Pb, 0.16% Cu, and 13.5g/t Ag** from 302 metres down hole.

Table 1. Drill Hole Mineralised Intersections.

Hole No	From m	To m	Width m	Silver Ppm	Copper %	Lead %	Zinc %	Pb+Zn+Cu %
BR0001	165	200.4	35.4	11.5	0.2	1.33	0.83	2.4
BR0002	291	336.3	45.3	8.1	0.1	1.71	3.01	4.8
including								
	302	322	20	13.5	0.16	2.77	4.95	7.9
BR0003	256	299.3	43.3	12.7	0.13	1.17	1.88	3.2
Including								
	256	260.2	4.2	34.5	0.44	1.47	3.8	5.7
	268.5	273.7	5.2	18.9	0.13	1.49	1.89	3.5
	279.4	285.2	5.8	5.5	0.12	2.14	3.86	6.1
	289.8	293.1	3.3	11.6	0.18	1.25	2.87	4.3
BR0003A	286.8	306	19.2	5.8	0.08	0.99	1.94	3.0
BR004	266.3	328.8	62.5	4.7	0.08	0.81	1.72	2.6
Including								
	267.5	274	6.4	8.4	0.12	1.77	3.52	5.4
	303.6	328.8	8.8	6.7	0.12	1.41	2.87	4.4
BR0005	312.8	322.8	10	10.2	0.13	0.92	2.34	3.4
Including								
	315.9	320.8	4.9	14.1	0.19	1.27	3.35	4.8
	340.8	380	39.2	8.9	0.11	0.92	2.07	3.1
Including								
	357.6	370.4	12.8	4.8	0.04	1.13	2.51	3.7
BR0006	161.5	177.5	16	10.3	0.18	1.06	1.83	3.1
Including								
	161.5	165.8	4.3	8.2	0.05	1.38	2.7	4.1
BR0007	333	373	40	5.8	0.17	0.7	1.5	2.4
including								
	359	363	4	12.8	0.11	1.11	3.93	5.2
	369	373	4	13.8	0.33	1.53	3.08	4.9
BR0008	268	299	31	12	0.18	0.95	1.96	3.09
Including								
	284	290	6	21	0.16	2.87	3.77	6.8
BR0009	455	458	3	2.5	0.1	0.6	0.8	1.5
BR0010	89	91	2	4.8	1.3	0.5	0.0	1.8
BR0010	95	104	9	2.5	0.2	1.3	0.0	1.5
BR0010	132	150	18	9.6	0.3	0.3	0.7	1.4

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

BR0011	185	189	4	4.8	0.5	0.7	0.4	1.5
BR0011	208	217	9	12.9	0.6	0.5	1.1	2.2
BR0011	220	222	2	12.5	1.5	0.1	0.3	1.8
BR0011	222	234	12	8.4	0.2	0.7	1.6	2.5
BR0013	127	132	5	9.6	1.2	0.1	0.1	1.4
BS0001	184.5	194.3	9.8	8.6	0.16	0.68	1.44	2.3
BS0001	201.4	209.2	7.8	2.7	0.2	0.52	1.11	1.8
BS0002	256.7	266	9.3	12.4	0.18	2.67	4.28	7.1
BS0003	286.1	298.1	12	4.7	0.12	0.42	1.25	1.8
WS0001	443.5	459.3	15.8	7.5	0.14	1.17	1.45	2.8

Resource Estimation Summary.

Geological domains were interpreted and a lower cut of 2% Pb+Zn Case 1 and 1% Pb+Zn Case 2 was used. No top-cut was applied.

A Polygonal block model was created and a bulk density of 3 was assigned by averaging historic density data. Drill hole locations were interpreted from located sites and then a grid conversion was made

The resource estimate has been classified based on data density, data quality, confidence in the geological interpretation and confidence in the estimation.

Metallurgical Samples

Two metallurgical samples were prepared for test work. The samples have been composited to represent a lower grade and higher grade ore type for extraction test work. Test work has demonstrated the ore is amenable to standard extraction methods

Comet commissioned Tony Showell & Associates Pty Ltd to undertake a 4 million tonne per annum Case Study for the proposed Browns Reef Zinc Lead Project.

Key project assumptions were provided by Comet, and the estimates generated by the study are summarised in Table 2.

Table 2. Assumptions and Study Estimates.

Assumed Ore Grade		
Zn	%	2.0
Pb	%	1.1
Ag	g/t	0.9
Assumed Ore Treatment		
Treatment rate	Mt/year	4.0
Life Of Mine treatment	Mt	40
Project Life	Years	10
Marketing		
Assumed Zinc Price	US\$/lb	1.40
Assumed Lead Price	US\$/lb	0.45
Simple Project Financials		
NPV (10% Disc)	\$A	247,000,000
IRR	%	28.3

The study suggests that the project may be economically viable. It needs to be noted that this study is based on a number of key assumptions which have not been tested or proven. A significant amount of metallurgical, geological, engineering and financial test work needs to be completed.

The results of this case study have confirmed Comet's belief in the Browns Reef Zinc Lead Project potential to become a significant base metal project.

New South Wales Exploration Projects (cont'd)

Starfield Project (100% Comet)

The Starfield Project is Located in the southeast portion of the Lachlan Fold Belt (approximately 350km west south west from Sydney) and contains an attractive porphyry copper gold deposit environment (large, low-grade, multi-million tonne deposits).

Kerrs Creek Project (100% Comet)

The Kerrs Creek Project covers an area of 288 km². It is centred about 20km north of Orange, a major mining centre hosting Newcrest's Cadia mine, and Tri Origin Australia NL's Lewis Ponds deposit.

Murrumbateman Project (100% Comet)

This Project is located approximate 80km north of Canberra. The area was mainly explored in the late 1980's by Kennecott, Alkane and Central West Gold. Exploration included soil sampling, ground magnetics, drilling and metallurgical studies.

Reports indicate soil sampling and trenching delineated two zones of gold mineralisation with the best result of 39m @1.63g/t Au from a costean. The northern zone is still open to the northeast.

Western Australia Exploration Projects

Yalgoo Iron Project (Ferrowest Joint Venture)

In October 2005 Comet entered into a Joint Venture with newly formed Ferrowest Pty Ltd to investigate Comet's Yalgoo Iron Project.

Ferrowest proposes to combine the existing sealed road and natural gas infrastructure that pass through the Yalgoo Iron Project with newly developed iron nugget manufacturing technology to produce up to 1 million tonnes per annum of high grade pig iron for export through the existing facilities at the Port of Geraldton.

Ferrowest listed on the ASX on 27 July 2006. Comet agreed to swap its equity in the project for 8.7 million shares in the newly listed company. The shares were escrowed for a period of 12 months. In May 2007 Comet purchased 4.35 million Ferrowest options exercisable at 25 cents per share for \$174,000. During June 2007 Comet sold 1.4 million options to recoup these costs and still holds 2.95 million options. Comet still holds 8.7 million fully paid ordinary shares in Ferrowest.

In June 2007 Ferrowest announced it's first JORC compliant resource statement for the Yalgoo Iron Project. The company reported 112.5 million tones at 25.3% total Fe and stated that this resource underpins iron requirements for 20+ years project life. Drilling is continuing.

Comet will continue to monitor this investment.

Utopia Project (100% Comet)

The Utopia Project is located approximately 125 kilometres (km) east-southeast of Kalgoorlie and covers an area of over 300 km².

The Utopia project has been joint ventured to Sipa Gold Ltd (**Sipa**). The main points of the joint venture are:-

Sipa may earn a 70% interest in Exploration Licences E28/1494, E28/1495, E28/1657 and E28/1412 by exploration expenditure of \$1.25 million within 5 years. On earning a 70/30 joint venture is formed with Sipa as manager.

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

Western Australia Exploration Projects (cont'd)

Sipa commits to \$100,000 of exploration expenditure in year one and may withdraw at any time later, providing tenements are kept pro-rata in good standing.

The Utopia Project is now called the Woodline Gold and Basemetals Project. The main highlights are:

- Data was received from a Hoistem electromagnetic survey flown in January and preliminary interpretation has identified a number of 'conductive' and 'resistive' anomalies, some associated with known outcropping alteration/mineralisation and some in areas of sand cover.
- A number of new gold-in-calcrete geochemical anomalies have been identified.
- A suitable Reverse Circulation drill rig is being sought to test outcropping gold-bearing lodes and gossans and Hoistem anomalies in the Greater Socrates area, and a RAB/Aircore rig is being sought to test numerous gold-in-calcrete anomalies.

The information in the report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr. A Cooper, who is a Member of The Australian Institute of Mining and Metallurgy, with over 20 years experience in the mining industry. Mr. Cooper has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Environmental Oil Solutions

During the year work has made solid scientific progress though research at Flinders and Murdoch Universities. The research continues to be supported by a grant from the South Australian Government, through the Science Technology and Innovation Directorate of the Department of Further Education, Employment, Science and Technology.

As can be expected the research has led to the isolation and identification of new micro-organisms. This improves the potential for achieving the company's objective of commercializing a range of products which aid in the cost of environmentally friendly transportation and clean up in the waste oil/ remediation business. Consequently, the effectiveness of the BIO-Paragone consortia has been downgraded.

A summary of the research progress is given below:-

The hydrocarbon-degrading activity of a consortium of micro-organisms isolated from the environment has been enhanced by the optimization of chemical and physical parameters. This work has led to the filing of a provisional patent for a proprietary formulation, Tankclean and has resulted in improved oil breakdown and lower viscosity. The bacteria making up the new consortium have been identified and a patent application on the bacterial strains is in preparation.

The Environmental Oil Solutions' Project is researching cheaper and more effective ways of treating waste oil in storage tanks than presently practiced by the oil industries. A range of waste oils have been tested. This has led to promising results for degrading oils previously placed in storage dams that are currently expensive and time consuming to remediate. Further business opportunities with related implications for new patents have been identified.

The physical and chemical characteristics of waste oil are dependent on the source of the oil and subsequent industrial treatment. These characteristics will vary from one storage tank to another. Consequently, the target has been to develop a robust set of treatment plans and techniques flexible enough to be applied to any stored waste oil irrespective of its characteristics.

Work has commenced on scale up using 100-200l vessels. Initial results are encouraging but several technical and operational issues have been identified. As new and improved methods and formulation have been identified, research work will continue at this scale to get the best combination before moving to larger scale treatment.

The Project continues to work closely with industry groups to deliver commercially attractive solutions to operational and environmental issues.

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

Review of Financial Condition

The Group has cash reserves of \$2.43 million at 30 June 2007 and a net asset position of \$9.8 million. The Company considers this together with further grant funding of approximately \$430,000 to be adequate to:

- meet the research and development commitments of Environmental Oil Solutions
- meet the tenement exploration commitments; and
- assess new exploration projects.

Capital Structure

During the period, the following incentive shares were issued:

- 2,725,000 Class A Incentive Shares and 4,125,000 Class B Incentive Shares for which \$6,850 was paid. These shares may convert to ordinary shares upon meeting particular milestones on or before 18 October 2009;
- 500,000 shares exercisable at 12 cents each were converted to ordinary shares on 31 March 2007; and
- 500,000 options exercisable at 15 cents each and expiring on 31 January 2009 remain outstanding.

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 Balance Sheet Date

As at the date of this report the fair value of shares and options held in Ferrowest Limited was \$3,950,000.

Other than the above there were no significant events that need to be reported since Balance sheet date.

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; and
- the development and commercialisation of the EOS technology.

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 and its research and development activities.

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

Share Options

As at the date of this report there are:

- 500,000 unlisted options exercisable at 15 cents, which expire on 31 January 2009.

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.

Indemnification of Officers

The Company has agreed to indemnify and keep indemnified the following officers, Mr RO Jones, Mr AR Cooper, Mr RN Hill and Ms N Lloyd 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 are not indemnified under any other indemnity, including an indemnity contained in any insurance policy taken out by the Company (or subsidiary), 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 \$24,165 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 to each individual officer of the Company.

Remuneration Report

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

Remuneration philosophy

The performance of the Company 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.

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

Remuneration Report (cont'd)

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 consolidated entity are:

Employment Agreements

Comet has entered into the following agreements with Directors:

- An agreement with Alberta Resources Pty Ltd for the services of Mr Tony Cooper with fees of \$136,800 per year. The agreement is on commercial terms and can be terminated at 1 months notice; and
- An agreement with Rojex Mining Services Pty Ltd for the services of Mr Roj Jones with fees of \$136,800 per year. The agreement is on commercial terms and can be terminated at 1 months notice.

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) a total of \$136,800 was paid to Rojex Mining Services Pty Ltd in which Mr Jones has a substantial financial interest for services provided in the normal course of business and at normal commercial rates;
- b) geological consulting and management fees paid or due and payable to Alberta Resources Pty Ltd of \$138,741 and Geocad (WA) Pty Ltd \$3,228, both entities in which Mr Cooper has a substantial financial interest for services provided in the normal course of business and at normal commercial rates.

All remuneration for Directors is disclosed in Note 17 to the Financial Statements.

**Table 1
Director remuneration for the Year ended 30 June 2007**

Name		Short-term			Post-employment		Share based	Total \$
		Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Retirement benefits \$	Incentive shares \$	
RO Jones	2007	136,800	-	6,041	-	-	17,948	160,789
Chairman	2006	68,400	-	4,462	68,400	-	-	141,262
AR Cooper	2007	141,969	-	6,041	-	-	22,898	170,908
CEO	2006	136,800	-	4,462	-	-	-	141,262
RN Hill	2007	25,200	-	6,041	2,268	-	11,449	44,958
Non-executive	2006	23,313	-	4,462	2,098	-	-	29,873
Total 2007		303,969	-	18,123	2,268	-	52,295	376,655
Total 2006		228,513	-	13,386	70,498	-	-	312,397

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

Remuneration Report (cont'd)

**Table 2
Remuneration of Key Management Personnel for the Year ended 30 June 2007**

Name	Short-term			Post-employment		Share based	Total \$	
	Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Retirement benefits \$	Incentive Shares & Options \$		
*appointed 28 April 2006								
N Lloyd * Company Secretary	2007 2006	36,000 9,000	- -	6,041 1,487	- -	- -	3,959 -	46,000 10,487
S Matheson Exploration Manager	2007 2006	93,349 78,800	- -	- -	8,401 7,092	- -	5,879 -	107,629 85,892
Total 2007		129,349	-	6,041	8,401	-	9,838	153,629
Total 2006		87,800	-	1,487	7,092	-	-	96,379

**Table 3
Incentive shares granted as part of remuneration**

Name	Grant date	Grant Number	Value \$ per incentive share at grant date	Value \$ of incentive shares granted during the year	Value of incentive shares exercised during the year	Value of incentive shares lapsed during the year	Total Value of incentive shares, granted, exercised and lapsed during the year	% Remuneration consisting of incentive shares for the year
RO Jones	18/10/06	750,000 Class A	0.06	10,190	-	-	17,948	11.16
		1,250,000 Class B	0.03	7,758	-	-		
AR Cooper	18/10/06	1,000,00 Class A	0.06	13,588	-	-	22,898	13.40
		1,500,000 Class B	0.03	9,310	-	-		
RN Hill	18/10/06	500,000 Class A	0.06	6,794	-	-	11,449	25.47
		750,000 Class B	0.03	4,655	-	-		
NA Lloyd	18/10/06	200,000 Class A	0.06	2,718	-	-	3,959	8.60
		200,000 Class B	0.03	1,241	-	-		
S Matheson	18/10/06	250,000 Class A	0.06	3,397	-	-	5,879	5.78
		400,000 Class B	0.03	2,482	-	-		

For details on the valuation of options, including models and assumptions used, please refer to Note 13. There were no alterations to the terms and conditions of incentive shares granted as remuneration since their grant date.

There were no forfeitures during the year. The maximum grant, which will be payable assuming that all services and performance criteria are met, is equal to the number of incentive shares multiplied by the fair value at the grant date. The minimum grant payable assuming that service and performance criteria are not met is zero.

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

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	8	8
AR Cooper	8	8
RN Hill	6	8

A = Number of meetings attended B = Number of meetings 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 and the role is completed 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 consolidated entity.

Auditor's Independence and non-audit services

There have been no non audit services provided 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 48.

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.

Signed in accordance with a resolution of directors.



**RO Jones
Chairman**

Dated at Perth this 12 day of September 2007

**COMET RESOURCES LTD
and its Controlled Entities
INCOME STATEMENT
for the year ended 30 June 2007**

	Note	CONSOLIDATED		THE COMPANY	
		2007 \$	2006 \$	2007 \$	2006 \$
Finance income	3(a)	166,287	146,130	163,442	143,160
Revenue		166,287	146,130	163,442	143,160
Other income	3(b)	2,418,836	549,280	2,326,091	155,319
Expenses					
Administration expenses		(542,029)	(379,753)	(492,129)	(363,797)
Research and development expenses		(599,669)	(616,408)	-	-
Exploration expenditure expenses		(908,416)	(288,187)	(908,416)	(288,187)
Write off/ diminution of investments and loans	3(c)	(234,889)	(90,000)	(639,609)	(311,673)
Profit/(Loss) before related income tax		300,120	(678,938)	449,379	(665,178)
Income tax benefit	5	1,160,845	-	986,441	-
Net Profit/(loss)	14	1,460,965	(678,938)	1,435,820	(665,178)
Basic earnings/ (loss) per share	15	2.15 cents	(1.00) cents		
Diluted earnings/ (loss) per share		2.15 cents	(1.00) cents		

The income statements are to be read in conjunction with the notes to the financial statements set out on pages 18 to 44.

COMET RESOURCES LTD
and its Controlled Entities
BALANCE SHEET
As at 30 June 2007

	NOTE	CONSOLIDATED		THE COMPANY	
		2007 \$	2006 \$	2007 \$	2006 \$
ASSETS					
Current assets					
Cash and cash equivalents	6	2,434,021	2,316,327	2,419,559	2,282,615
Trade and other receivables	7	98,006	57,733	80,081	26,323
Prepayments		3,025	5,550	3,025	5,550
Available-for-sale financial assets	9	7,327,056	510,000	7,327,056	510,000
Other financial assets	10	-	80,526	-	-
Total current assets		9,862,108	2,970,136	9,829,721	2,824,488
Non-current assets					
Plant and equipment	8	9,432	10,339	6,559	10,339
Other financial assets	10	50,660	40,000	50,660	40,000
Total non-current assets		60,092	50,339	57,219	50,339
TOTAL ASSETS		9,922,200	3,020,475	9,886,940	2,874,827
LIABILITIES					
Current liabilities					
Trade and other payables	11	171,088	289,772	147,213	130,364
Total current liabilities		171,088	289,772	147,213	130,364
TOTAL LIABILITIES		171,088	289,772	147,213	130,364
NET ASSETS		9,751,112	2,730,703	9,739,727	2,744,463
EQUITY					
Contributed equity	12	4,758,265	4,698,265	4,758,265	4,698,265
Reserves	13	5,829,916	330,472	5,829,916	330,472
Accumulated losses	14	(837,069)	(2,298,034)	(848,454)	(2,284,274)
TOTAL EQUITY		9,751,112	2,730,703	9,739,727	2,744,463

The balance sheets are to be read in conjunction with the notes to the financial statements set out on pages 18 to 44.

**COMET RESOURCES LTD
and its Controlled Entities
STATEMENTS OF CASHFLOWS
for the year-ended 30 June 2007**

	NOTE	CONSOLIDATED		THE COMPANY	
		2007 \$	2006 \$	2007 \$	2006 \$
Cash flows from operating activities					
Payments to suppliers and employees		(2,112,937)	(1,077,259)	(1,320,539)	(528,291)
Receipt of R&D tax rebate		174,404	-	-	-
Refund of untainting tax paid		986,441	-	986,441	-
Receipts of government grants		234,020	446,227	-	-
Interest received		169,597	143,160	166,752	143,160
Net cash flows used in operating activities	16(b)	(548,475)	(487,872)	(167,346)	(385,131)
Cash flows from investing activities					
Loans to controlled entities		-	-	(519,609)	(218,673)
Loans to other entities		(15,000)	(100,000)	(15,000)	-
Repayment of loans from other entities		50,531	17,780	4,894	-
Payments for plant and equipment		(7,473)	(1,945)	(4,106)	(1,945)
Payments for intellectual property		(200,000)	-	-	-
Payments for purchase of investments		(174,000)	(30,000)	(174,000)	(30,000)
Proceeds from sale of investments		945,261	69,000	945,261	69,000
Proceeds from sale of exploration assets		10,000	105,000	10,000	105,000
Security deposit for mining tenements repaid/(paid)		(10,000)	30,000	(10,000)	30,000
Net cash flows provided by/(used in) investing activities		599,319	89,835	237,440	(46,618)
Cash flows from financing activities					
Proceeds from issue of securities		66,850	-	66,850	-
Net cash flows provided by financing activities		66,850	-	66,850	-
Net increase/(decrease) in cash and cash equivalents		117,694	(398,037)	136,944	(431,749)
Cash and cash equivalents at the beginning of the year		2,316,327	2,714,364	2,282,615	2,714,364
Cash and cash equivalents at the end of the year	16(a)	2,434,021	2,316,327	2,419,559	2,282,615

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 18 to 44.

COMET RESOURCES LTD
and its Controlled Entities
STATEMENT OF CHANGES IN EQUITY
for the year-ended 30 June 2007

	Issued Capital \$	Accumulated losses \$	Other Reserves \$	Total \$
CONSOLIDATED				
At 1 July 2005	4,698,265	(1,619,096)	294,707	3,373,876
Loss for the year	-	(678,938)	-	(678,938)
Cost of share-based payments	-	-	35,765	35,765
At 30 June 2006	4,698,265	(2,298,034)	330,472	2,730,703
Profit/(Loss) for the year	-	1,460,965	-	1,460,965
Net gains on available-for-sale financial assets	-	-	5,429,968	5,429,968
Incentive shares issued	-	-	6,850	6,850
Conversion of options	60,000	-	-	60,000
Cost of share-based payments	-	-	62,626	62,626
At 30 June 2007	4,758,265	(837,069)	5,829,916	9,751,112
PARENT				
At 1 July 2005	4,698,265	(1,619,096)	294,707	3,373,876
Loss for the year	-	(665,178)	-	(665,178)
Cost of share-based payments	-	-	35,765	35,765
At 30 June 2006	4,698,265	(2,284,274)	330,472	2,744,463
Profit/(Loss) for the year	-	1,435,820	-	1,435,820
Net gains on available-for-sale financial assets	-	-	5,429,968	5,429,968
Incentive shares issued	-	-	6,850	6,850
Conversion of options	60,000	-	-	60,000
Cost of share-based payments	-	-	62,626	62,626
At 30 June 2007	4,758,265	(848,454)	5,829,916	9,739,727

The statements of changes in equity are to be read in conjunction with the notes to the financial statements set out on pages 18 to 44.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

1. CORPORATE INFORMATION

The financial report of Comet Resources Limited for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 5 September 2007.

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

The nature of the operation and principal activities of the Group are described in Note 4.

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.

It has been prepared on the basis of accrual accounting and historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

The financial report is presented in Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS). The parent entity financial statements and notes also comply with IFRS except for disclosure requirements in IAS 32, 'Financial Instruments: Disclosure and Presentation,' as the Australian equivalent Accounting Standard AASB 132, Financial Instruments: Disclosure and Presentation,' does not require such disclosures to be presented by the parent entity where its separate financial statements are presented together with the consolidated financial statements of the Group.

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2007, these are outlined in the table below:

Reference	Title	Summary	Application date of standard period beginning on or after	Impact on Group financial report	Application date for Group period beginning on
AASB 2005-10	Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]	Amendments arise from the release in August 2005 of AASB 7 Financial Instruments: Disclosures	1/01/07	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements	1 July 2007

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

(b) Statement of Compliance (cont'd)

Reference	Title	Summary	Application date of standard beginning on or after	Impact on Group Financial report	Application date for Group period beginning on
AASB 7	<i>Financial Instruments Disclosure</i>	New standard replacing disclosure requirements of AASB 132.	01/01/07	As above.	1 July 2007
AASB 101	<i>Presentation of Financial Statements</i>	Revision of the existing standard AASB 101	01/01/07	As above.	1 July 2007
<i>Interpretation 10</i>	<i>Interim Financial Reporting and Impairment</i>	Clarifies the requirement of the standards AASB 134, 'Interim Financial Reporting'	01/11/06	Not expected to have a direct impact on the amounts included in the Group's financial statements	1 July 2007

(c) Principles of consolidation

The consolidated financial statements comprise the financial statements of Comet Resources Limited and its subsidiaries as at 30 June each year (the Group).

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Comet Resources Limited has control.

Environmental Oil Solutions Pty Limited commenced operations in October 2005. Accordingly, the prior-year consolidated financial statements include the results of Environmental Oil Solutions Pty Limited for the eight-month period from its commencement of operations in October 2005.

(d) Revenue recognition

Interest income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

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.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

(d) Revenue recognition (cont'd)

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

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

Sale of non current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

(e) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

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

(f) 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 income statement through the 'research and development expenses' line item.

Intangible assets, including 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 lived 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.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

(f) Intangible Assets (cont'd)

A summary of the policies applied to the Group's intangible assets is as follows:

	Patents and Licences	Development Costs
<i>Useful lives</i>	<i>Finite</i>	<i>Finite</i>
<i>Method used</i>	<i>Not amortised or revalued</i>	<i>Not amortised</i>
<i>Internally generated/ Acquired</i>	<i>Acquired</i>	<i>Internally generated</i>
<i>Impairment test / Recoverable amount testing</i>	<i>Annually and more frequently when an indication of impairment exists</i>	<i>Annually and more frequently when an indication of impairment exists</i>

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 on the income statement when the asset is de-recognised.

(g) 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 and 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.

(h) Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognitions and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available for sale financial assets. When financial assets are recognised initially, they are measured at fair value plus, in the case if investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognized on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

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

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are required for the purpose of selling in the near term with the intention of making a profit. Gains or losses on investments held for trading are recognised in profit and loss.

(ii) Available-for-sale-investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as the preceding category. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

(h) Investments and other financial assets (cont'd)

investment is derecognised or until the investment is determined to be impaired, at which the time the cumulative gain or loss previously reported in equity is recognized in profit or loss.

The fair values of investments that are actively traded in organized financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and options pricing models making as much use of available and supportable market data as possible and keeping judgmental inputs to a minimum.

(i) 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 balance sheet.

(j) 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 balance 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 income statement in the financial year in which the exchange rates change.

(k) 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.

(l) Income Tax

Deferred income tax is provided on all temporary differences at the balance sheet 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:

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

(l) Income Tax (cont'd)

- 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.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(m) Trade and other receivables

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

(n) 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.

(o) 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 installments 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.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

(p) Exploration and Evaluation Expenditure

All exploration and evaluation expenditure is expensed as incurred.

(q) 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.

(r) 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 balance 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

(s) 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, further details of which are given in Note 13.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Comet (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

(s) Share-based payment transactions (cont'd)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 15).

(t) 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.

(u) Segment reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

(v) 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.

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.

(w) 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, using the assumptions detailed in Note 13.

Provision for loans to subsidiaries

The Company has provided in full for funds advanced to its subsidiary. Dependent on the successful commercialisation of the EOS products being developed by its subsidiary, the loan may be recoverable in which case the provision would be written back.

COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	CONSOLIDATED		THE COMPANY	
	2007	2006	2007	2006
	\$	\$	\$	\$
3. REVENUES AND EXPENSES				
(a) Revenue				
Interest – other parties	166,287	146,130	163,442	143,160
(b) Other income				
Government grant income	212,745	405,661	-	-
Profit on sale of exploration assets	1,750,000	105,000	1,750,000	105,000
Profit on sale of listed securities	456,091	38,619	456,091	38,619
Management fees – intercompany	-	-	120,000	11,700
	<u>2,418,836</u>	<u>549,280</u>	<u>2,326,091</u>	<u>155,319</u>
A government grant has been received for research activities within Australia. There are no unfulfilled conditions or contingencies attaching to this grant at balance date.				
(c) Other expenses				
Provision for diminution in loan to controlled entity	-	-	639,609	221,673
Intellectual property acquired written off	200,000	-	-	-
Loan written off	34,889	-	-	-
Diminution in value of listed securities	-	90,000	-	90,000
(d) Depreciation, included in income statement				
Included in administrative expenses: Depreciation of plant and equipment	8,380	22,265	7,886	22,265
(e) Lease payments included in income statement				
Minimum lease payments - operating leases	55,442	55,905	50,834	50,871
(f) Employee/consultants benefits expense				
Consulting fees	373,742	292,700	152,176	94,299
Wages and Salaries	202,387	129,613	202,387	129,613
Superannuation costs	18,215	80,090	18,215	35,090
Expense of share-based payments	62,626	35,765	62,626	35,765
	<u>656,970</u>	<u>538,168</u>	<u>435,404</u>	<u>294,767</u>

COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SEGMENT INFORMATION

The Group's primary reporting format is business segments and the Group only operates within one geographical segment.

The operating businesses are organised and managed separately according to the nature of the activities, with each segment representing a different business.

The exploration segment is involved the exploration of minerals.

The research and development segment is involved in the research and development of the EOS Technology.

Business segments

The following tables present revenue and loss information and certain asset and liability information regarding business segments for the years ended 30 June 2007 and 30 June 2006.

	<i>Exploration</i>	<i>R&D</i>	<i>Total</i>
	\$	\$	\$
Year ended 30 June 2007			
Revenue			
Profit on sale of securities	456,091	-	456,091
Profit on sale of exploration assets	1,750,000	-	1,750,000
Grant revenue	-	212,745	212,745
Management fee	120,000	-	120,000
Total segment revenue	<u>2,326,091</u>	<u>212,745</u>	<u>2,538,836</u>
Interest revenue			166,287
Inter segment elimination			<u>(120,000)</u>
Total consolidated revenue			<u>2,585,123</u>
Result			
Segment result	285,936	(791,712)	(505,774)
Intersegment elimination			639,609
Unallocated income/(expenses)			166,287
Profit/(Loss) before tax			<u>300,120</u>
Income tax expense/(benefits)			1,160,845
Net profit/(loss) for the year			<u>1,460,965</u>
Assets and liabilities			
Segment assets	7,467,381	20,798	7,488,179
Unallocated assets			2,434,021
Total assets			<u>9,922,200</u>
Segment liabilities	<u>(147,213)</u>	<u>(23,875)</u>	<u>(171,088)</u>
Total liabilities			<u>(171,088)</u>
Other segment information			
Capital expenditure	<u>4,106</u>	<u>3,367</u>	<u>7,473</u>
Depreciation	<u>7,886</u>	<u>494</u>	<u>8,380</u>

COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SEGMENT INFORMATION (cont'd)

	<i>Exploration</i>	<i>R&D</i>	<i>Total</i>
	\$	\$	\$
Year ended 30 June 2006			
Revenue			
Profit on sale of securities	38,619	-	38,619
Profit on sale of exploration assets	105,000	-	105,000
Grant revenue	-	405,661	405,661
Management fee	11,700	-	11,700
Total segment revenue	<u>155,319</u>	<u>405,661</u>	<u>560,980</u>
Interest revenue			<u>146,130</u>
Inter segment elimination			<u>(11,700)</u>
Total consolidated revenue			<u>695,410</u>
Result			
Segment result	(808,338)	(238,403)	(1,046,741)
Intersegment elimination			221,673
Unallocated income/(expenses)	-	-	146,130
Loss before tax			<u>(678,938)</u>
Income tax expense	-	-	-
Net loss for the year			<u>(678,938)</u>
Assets and liabilities			
Segment assets	592,212	31,410	623,622
Unallocated assets	-	-	2,396,853
Total assets	-	-	<u>3,020,475</u>
Segment liabilities	<u>(130,364)</u>	<u>(159,408)</u>	<u>(289,772)</u>
Total liabilities			<u>(289,772)</u>
Other segment information			
Capital expenditure	<u>(1,945)</u>	-	<u>(1,945)</u>
Depreciation	<u>(22,265)</u>	-	<u>(22,265)</u>

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

5. TAXATION

	CONSOLIDATED		THE COMPANY	
	2007 \$	2006 \$	2007 \$	2006 \$
Income Statement				
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 2007 is as follows:				
Accounting profit/(loss) before income tax	300,120	(678,938)	449,379	(665,178)
<hr/>				
Prima facie income tax expense/(benefit) calculated at 30% on the loss	90,036	(203,681)	134,814	(199,553)
Non-deductible items	19,197	49,989	19,197	105,088
Temporary differences and tax losses not brought to account as future income tax benefits	(109,233)	153,692	(154,011)	94,465
Australian Taxation Office R&D tax rebate	(174,404)	-	-	-
Australian Taxation Office untainting tax refunded	(986,441)	-	(986,441)	-
<hr/>				
Income tax expense/(benefit) attributable to operating profit/ (loss)	(1,160,845)	-	(986,441)	-
<hr/>				
Deferred income tax				
Deferred income tax at 30 June relates to the following:				
<i>On Income Tax Account</i>				
Losses available for offset against future taxable income	2,025,317	2,145,544	1,928,929	2,142,729
Plant and equipment temporary differences	336	(1,280)	(714)	(1,280)
Accruals temporary difference	3,901	(2,862)	3,901	(2,862)
	-	949	-	949
Fair value adjustments on loans	-	-	191,883	66,502
Gross deferred income tax assets	<u>2,029,554</u>	<u>2,142,351</u>	<u>2,190,500</u>	<u>2,206,038</u>
<i>On Capital Account</i>				
Fair value adjustment on investments	(1,628,990)	135,000	(1,628,990)	135,000
Losses available for offset against future taxable income	69,212	-	-	-
Gross deferred capital gains tax assets	<u>(1,559,779)</u>	<u>135,000</u>	<u>(1,628,990)</u>	<u>135,000</u>

The group has tax losses arising in Australia of \$2,029,554 (2006: \$2,142,351) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose.

At 30 June 2007, there is no recognised or unrecognised deferred income tax liability (2006: \$nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, associate or joint venture, as the Group has no liability for additional taxation should such amounts be remitted.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

	CONSOLIDATED		THE COMPANY	
	2007	2006	2007	2006
	\$	\$	\$	\$
6. CASH AND CASH EQUIVALENTS				
Cash	553,459	52,726	538,997	19,014
Bank short term deposits, maturing within 60 days and paying interest at a weighted average interest rate of 6.40% (2006: 5.75%)	1,880,562	2,263,601	1,880,562	2,263,601
	<u>2,434,021</u>	<u>2,316,327</u>	<u>2,419,559</u>	<u>2,282,615</u>

7. TRADE AND OTHER RECEIVABLES

Current

Trade debtors	43,812	16,108	43,812	16,108
Loans to key management personnel	10,106	-	10,106	-
Accrued interest	5,996	9,306	5,996	9,306
GST	38,092	32,319	20,167	909
	<u>98,006</u>	<u>57,733</u>	<u>80,081</u>	<u>26,323</u>

Details regarding the effective interest rate and credit risk of current receivables is disclosed in Note 21.

Details regarding the loan to key management personnel are disclosed at Note 17.

8. PLANT AND EQUIPMENT

Non current

At cost	210,794	203,321	207,427	203,321
Accumulated depreciation	(201,362)	(192,982)	(200,868)	(192,982)
Total plant and equipment net book value	<u>9,432</u>	<u>10,339</u>	<u>6,559</u>	<u>10,339</u>

Reconciliation

Reconciliation of the carrying amount for plant and equipment is set out below:

Carrying amount at beginning of year	10,339	38,237	10,339	38,237
Additions	7,473	1,945	4,106	1,945
Impairment	-	(7,578)	-	(7,578)
Depreciation	(8,380)	(22,265)	(7,886)	(22,265)
Carrying amount at end of year	<u>9,432</u>	<u>10,339</u>	<u>6,559</u>	<u>10,339</u>

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

	CONSOLIDATED		THE COMPANY	
	2007	2006	2007	2006
	\$	\$	\$	\$
9. AVAILABLE- FOR- SALE FINANCIAL ASSETS				
Current				
Securities in listed companies (at cost)	1,897,088	960,000	1,897,088	960,000
Net unrealised gains	5,429,968	-	5,429,968	-
Provision for diminution	-	(450,000)	-	(450,000)
	<u>7,327,056</u>	<u>510,000</u>	<u>7,327,056</u>	<u>510,000</u>
<i>Listed securities</i>				
The fair value of listed available-for-sale investments has been determined directly by reference to published price quotations in an active market.				
Securities held in FeroWEST Limited are material with a fair value of \$7,247,056.				
10. OTHER FINANCIAL ASSETS				
Current				
Loan to BIO-Tec	-	80,526	-	-
Non current				
Investment in controlled entities	-	-	1	1
Loan to controlled entities	-	-	861,279	221,673
Provision for diminution	-	-	(861,280)	(221,674)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Security bonds	50,660	40,000	50,660	40,000
	<u>50,660</u>	<u>40,000</u>	<u>50,660</u>	<u>40,000</u>
11. TRADE AND OTHER PAYABLES				
Current				
Trade creditors and accruals	127,595	231,699	103,720	72,291
Amount owing to related parties	-	15,000	-	15,000
Unclaimed funds	43,493	43,073	43,493	43,073
	<u>171,088</u>	<u>289,772</u>	<u>147,213</u>	<u>130,364</u>

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

	CONSOLIDATED		THE COMPANY	
	2007	2006	2007	2006
	\$	\$	\$	\$
12. CONTRIBUTED EQUITY				
Issued and paid-up capital				
68,317,903 (2006: 67,817,903) ordinary shares	4,758,265	4,698,265	4,758,265	4,698,265
Movements in ordinary share capital				
Balance at the beginning of the financial year	4,698,265	4,698,265	4,698,265	4,698,265
Conversion of options	60,000	-	60,000	-
Balance at the end of the financial year	4,758,265	4,698,265	4,758,265	4,698,265

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at 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.

Options

500,000 unlisted options exercisable at 15 cents and expiring 31 January 2009.

Incentive Shares

2,725,000 class A Incentive shares expiring on or before 18 October 2009

4,125,000 class B Incentive shares expiring on or before 18 October 2009

The market price of the Company's fully paid ordinary shares, at 30 June 2007, was 15 cents (2006: 10 cents) per share.

	CONSOLIDATED		THE COMPANY	
	2007	2006	2007	2006
	\$	\$	\$	\$
13. RESERVES				
Option premium reserve	294,707	294,707	294,707	294,707
Share based payments reserve	105,241	35,765	105,241	35,765
Net unrealised gains reserve	5,429,968	-	5,429,968	-
	5,829,916	330,472	5,829,916	330,472

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

	<i>CONSOLIDATED</i>		<i>THE COMPANY</i>	
	2007 \$	2006 \$	2007 \$	2006 \$
13. RESERVES (cont'd)				
Movement in reserves				
Balance at beginning of year	330,472	294,707	330,472	294,707
Issue of options and incentive shares to directors and executives	69,476	35,765	69,476	35,765
Net gains on available-for-sale financial assets	5,429,968	-	5,429,968	-
Balance at end of year	5,829,916	330,472	5,829,916	330,472

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 as part of their remuneration.

On 31 January 2006, 500,000 options with a fair value of \$0.0715 each were granted over ordinary shares with an exercise price of \$0.15 each, exercisable until 31 January 2009.

Other relevant terms and conditions applicable to options granted include:

- the options vest upon issue.
- upon exercise, these options will be settled in ordinary shares of Comet Resources Limited.

The fair value of the options are estimated at the date of grant using the binomial model. The following table gives the assumptions made in determining the fair value of the options granted in the year to 30 June 2006.

	<u>2006</u>
Dividend yield (%)	-
Expected volatility (%)	75
Risk-free interest rate (%)	5.91
Expected life of option (years)	3
Option exercise price (\$)	0.15
Share price at grant date (\$)	0.14

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

On 18 October 2006, 2,725,000 class A incentive shares with a fair value of \$0.058 each, exercisable until 31 October 2009 and 4,125,000 class B incentive shares with a fair value of \$0.027 each were issued.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

13. RESERVES (cont'd)

Other relevant terms and conditions applicable to incentive shares granted include:

- the incentive shares upon meeting particular milestones.
- upon exercise, the incentive shares will be settled in ordinary shares of Comet Resources Limited.

The fair value of the incentive shares are estimated at the date of grant using the binomial model. The following table gives the assumptions made in determining the fair value of the incentive shares granted in the year to 30 June 2007.

Class A Incentive shares	
Dividend yield (%)	-
Expected volatility (%)	56.00
Risk-free interest rate (%)	5.72
Expected life of Incentive shares (years)	3
Incentive shares conversion price (\$)	0.40
Share price at grant date (\$)	0.18
Non-marketability discount (%)	0.25

Class B Incentive shares	
Dividend yield (%)	-
Expected volatility (%)	79.5
Risk-free interest rate (%)	5.72
Expected life of Incentive shares (years)	3
Incentive shares conversion price (\$)	0.60
Share price at grant date (\$)	0.18
Non-marketability discount (%)	0.25

The expected life of the incentive shares is based on historical data and is not necessarily indicative of conversion patterns that may occur.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Net unrealised gains reserve

This reserve records movements in the fair value of available-for-sale financial assets.

	CONSOLIDATED		THE COMPANY	
	2007	2006	2007	2006
	\$	\$	\$	\$
14. ACCUMULATED LOSSES				
Accumulated losses at beginning of year	(2,298,034)	(1,619,096)	(2,284,274)	(1,619,096)
Net Profit /(loss) attributable to members of the parent entity	1,460,965	(678,938)	1,435,820	(665,178)
Accumulated losses at the end of the year	(837,069)	(2,298,034)	(848,454)	(2,284,274)

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

	CONSOLIDATED	
	2007	2006
15. EARNINGS PER SHARE		
Weighted average number of ordinary shares for basic earnings per share	67,942,559	67,817,901
Effect of dilution:		
Share options	4,525	-
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>67,947,084</u>	<u>67,817,901</u>

There are no instruments excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are antidilutive for either of the periods presented.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Information on the classification of securities

Options

Options granted to key management personnel as described in note 13 are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. These options have not been included in the determination of basic earnings per share.

Incentive Shares

Options granted to directors and key management personnel as described in note 13 are not considered to be potential ordinary shares and have not been included in the determination of diluted earnings per share.

16. 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 balance sheet as follows:

	CONSOLIDATED		THE COMPANY	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash	2,389,021	2,271,327	2,374,559	2,237,615
Short term deposit	45,000	45,000	45,000	45,000
	<u>2,434,021</u>	<u>2,316,327</u>	<u>2,419,559</u>	<u>2,282,615</u>

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

16. STATEMENT OF CASH FLOWS (cont'd)

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

Operating profit/(loss) after income tax	1,460,965	(678,938)	1,435,820	(665,178)
Add item classified as investing activities				
(Profit) on sale of listed securities	(456,090)	(39,000)	(456,090)	(39,000)
(Profit) on sale of exploration assets	(1,750,000)	(105,000)	(1,750,000)	(105,000)
Add non-cash items				
Depreciation	8,380	22,265	7,886	22,265
Intellectual property written off	200,000	-	-	-
Write down/(off) of plant and equipment	-	7,578	-	7,578
Write off loan	34,889	-	-	-
Share based payments	62,627	35,765	62,627	35,765
Diminution in value of investments	-	90,000	519,609	311,673
Changes in assets and liabilities				
(Increase)/decrease in trade and other receivables and prepayments	9,438	(22,697)	(4,047)	7,019
Increase/(decrease) in trade and other payables	(118,682)	202,155	16,849	45,747
Net cash flow used in operating activities	(548,475)	(487,872)	(167,346)	(385,131)

17. DIRECTOR AND EXECUTIVE 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 -Chief Executive Officer
Mr R N Hill – Non-executive Director

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

Ms N Lloyd – Company Secretary
Mr S Matheson – Exploration Manager

Remuneration Policy

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. The Company currently does not have in place any performance related compensation arrangements.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

17. DIRECTOR AND EXECUTIVE DISCLOSURES (cont'd)

Employment Agreements

Comet has entered into the following agreements with Directors:

- An agreement with Alberta Resources Pty Ltd for the services of Mr Tony Cooper with fees of \$136,800 per year. The agreement is on commercial terms and can be terminated at 1 months notice; and
- An agreement with Rojex Mining Services Pty Ltd for the services of Mr Roj Jones with fees of \$136,800 per year. The agreement is on commercial terms and can be terminated at 1 months notice.

Details of remuneration

Details of the remuneration of each director of Comet, including their personally-related entities, are set out in the following table.

Name	Short –term			Post-employment		Share based payment	Total \$
	Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Retirement benefits \$	Incentive shares \$	
RO Jones 2007	136,800	-	6,041	-	-	17,948	160,789
Chairman 2006	68,400	-	4,462	68,400	-	-	141,262
AR Cooper 2007	141,969	-	6,041	-	-	22,898	170,908
CEO 2006	136,800	-	4,462	-	-	-	141,262
RN Hill 2007	25,200	-	6,041	2,268	-	11,449	44,958
Non-exec 2006	23,313	-	4,462	2,098	-	-	29,873
Total 2007	303,969	-	18,123	2,268	-	52,295	376,655
Total 2006	228,513	-	13,386	70,498	-	-	312,397

Details of the remuneration of each key management person of Comet, including their personally-related entities, are set out in the following table.

Name	Short-term			Post-employment		Share based payment	Total \$
	Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Retirement benefits \$	Incentive shares \$	
N Lloyd* 2007	36,000	-	6,041	-	-	3,959	46,000
Company Sec 2006	9,000	-	1,487	-	-	-	10,487
S Matheson 2007	93,349	-	-	8,401	-	5,879	107,629
Exploration Manager 2006	78,800	-	-	7,092	-	-	85,892
Total 2007	129,349	-	6,041	8,401	-	9,838	153,629
Total 2006	87,800	-	1,487	7,092	-	-	96,379

* Part-time, appointed 28 April 2006.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

17. DIRECTOR AND EXECUTIVE DISCLOSURES (cont'd)

Compensation by Category: Key Management Personnel

	CONSOLIDATED		THE COMPANY	
	2007	2006	2007	2006
	\$	\$	\$	\$
Short-term	135,390	89,287	135,390	89,287
Post employment	8,401	7,092	8,401	7,092
Share-based payment	9,838	-	9,838	-
	153,629	96,379	153,629	96,379

Loans to Key Management Personnel

Details of aggregates of loans to key management personnel are as follows:

Total	Balance at beginning of period	Interest charged	Interest not charged	Write-off	Balance at end of period	Number in group
	\$	\$	\$	\$	\$	
2007	15,000	637.50	-	-	10,106	1

Terms and conditions of loans to key management personnel

Key Management personnel are charged an interest rate of 8.5% per annum. The average commercial rate of interest during the year was 8.5%.

During the year Comet provided an unsecured loan to Mr Scott Matheson repayable within 6 months at a rate of 8.5%.

Incentive shares granted as part of remuneration

Name	Grant date	Grant Number	Value per Incentive share at grant date	Value of Incentive share granted during the year	Value of Incentive share exercised during the year	Value of incentive shares lapsed during the year	Total Value of incentive shares, granted, exercised and lapsed during the year	% Remuneration consisting of incentive shares for the year
RO Jones	18/10/06	750,000 class A	0.06	10,190	-	-	17,948	11.16
		1,250,000 class B	0.03	7,758				
AR Cooper	18/10/06	1,000,000 class A	0.06	13,588	-	-	22,898	13.40
		1,500,000 class B	0.03	9,310				
RN Hill	18/10/06	500,000 class A	0.06	6,794	-	-	11,449	25.47
		750,000 class B	0.03	4,655				
NA Lloyd	18/10/06	200,000 class A	0.06	2,718	-	-	3,959	8.60
		200,000 class B	0.03	1,241				
S Matheson	18/10/06	250,000 class A	0.06	3,397	-	-	5,879	5.78
		400,000 class B	0.03	2,482				

For details on the valuation of incentive shares, including models and assumptions used, please refer to Note 13. There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

17. DIRECTOR AND EXECUTIVE DISCLOSURES (cont'd)

There were no forfeitures during the year. The maximum grant, which will be payable assuming that all services and performance criteria are met, is equal to the number of incentive shares multiplied by the fair value at the grant date. The minimum grant payable assuming that service and performance criteria are not met is zero.

Equity instruments disclosures relating to directors and executives

Option holdings and Incentive shares

No options were held by directors at balance date (2006:0).

The number of incentive shares in the Company held during the financial year by each director of Comet, including their personally-related entities, are set out below.

Name	Balance at the start of the year	Granted during the year as remuneration	Expired during the year	Incentive shares converted during the year	Balance at the end of the year	Vested and exercisable at the end of the year
RO Jones	-	750,000 class A 1,250,000 class B	-	-	750,000 class A 1,250,000 class B	Nil
AR Cooper	-	1,000,000 class A 1,500,000 class B	-	-	1,000,000 class A 1,500,000 class B	Nil
RN Hill	-	500,000 class A 750,000 class B	-	-	500,000 class A 750,000 class B	Nil

Share holdings

The numbers of ordinary shares in the Company held during the financial year by each director of Comet, including their personally-related entities, are set out below.

Name	Balance at the start of the year	Acquired during the year	Balance at the end of the year
RO Jones	9,162,841	50,501	9,213,342
AR Cooper	4,260,312	142,311	4,402,623
RN Hill	3,895,045	280,000	4,175,045

Other transactions with directors

Consultancy fees and superannuation of \$136,800 were paid at normal commercial rates to Rojex Mining Services Pty Ltd, a company controlled by Mr RO Jones, for the provision of management, administrative and technical services.

Consultancy fees of \$138,741 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 and fees of \$3,228 were paid at normal commercial rates to Geocad (WA) Pty Ltd, a company of which Mr AR Cooper is a director, for the provision of drafting and geological services.

The above fees have been included in director's remuneration disclosed 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 balance date arising from these transactions.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

17. DIRECTOR AND EXECUTIVE DISCLOSURES (cont'd)

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

	<i>CONSOLIDATED</i>		<i>THE COMPANY</i>	
	2007	2006	2007	2006
	\$	\$	\$	\$
Current payables				
Trade creditors	12,760	12,540	11,220	4,840

Wholly owned group

Details of interests in wholly owned controlled entities are set out in Note 22. No dealings with these entities occurred during the year.

18. AUDITORS' REMUNERATION

Audit services:

Auditors of the Company – Stantons International	21,048	16,296	21,048	16,296
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19. 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	395,000	346,000	395,000	346,000
	395,000	346,000	395,000	346,000

The Company 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 Company.

Rental commitments

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2007 are as follows:

Not longer than one year	8,030	51,508	8,030	48,180
Longer than one year but not longer than two years	-	8,030	-	8,030
	8,030	59,538	8,030	56,210

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

20. 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.

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 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.

Foreign currency risk

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

Commodity price risk

The Group's exposure to price risk is minimal.

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 and available-for-sale financial assets, 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.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

21. FINANCIAL INSTRUMENTS

Interest rate risk

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Floating Interest	Fixed interest maturing in:		Non Interest bearing	Total	Weighted average interest rate
		\$	1 year or less	1-5 years	\$	\$	
			\$	\$	\$	\$	
2007							
Financial assets							
Cash and cash equivalents	6	1,880,562	-	-	553,459	2,434,021	6.40%
Trade and other receivables	7	-	10,106	-	87,900	98,006	8.5%
Listed securities	9	-	-	-	7,327,056	7,327,056	0%
Bonds	10	-	-	-	50,660	50,660	0%
		<u>1,880,562</u>	<u>10,106</u>	<u>-</u>	<u>8,019,075</u>	<u>9,909,743</u>	
Financial liabilities							
Trade and other payables	11	-	-	-	171,088	171,088	0%
		<u>-</u>	<u>-</u>	<u>-</u>	<u>171,088</u>	<u>171,088</u>	
Net financial assets		<u>1,880,562</u>	<u>10,106</u>	<u>-</u>	<u>7,847,987</u>	<u>9,738,655</u>	

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

21. FINANCIAL INSTRUMENTS (cont'd)

	Note	Floating Interest	Fixed interest maturing in:		Non Interest bearing	Total	Weighted average interest rate
		\$	1 year or less	1-5 years	\$	\$	
		\$	\$	\$	\$	\$	
2006							
Financial assets							
Cash and cash equivalents	6	2,263,601	-	-	52,726	2,316,327	5.75%
Trade and other receivables	7	-	-	-	57,733	57,733	0%
Listed securities	10	-	-	-	510,000	510,000	0%
Loan receivable		-	-	-	80,526	80,526	8.5%
Bonds	10	-	-	-	40,000	40,000	0%
		<u>2,263,601</u>	<u>-</u>	<u>-</u>	<u>740,985</u>	<u>3,004,586</u>	
Financial liabilities							
Trade and other payables	11	-	-	-	289,771	289,771	0%
		<u>-</u>	<u>-</u>	<u>-</u>	<u>289,771</u>	<u>289,771</u>	
Net financial assets		<u>2,263,601</u>	<u>-</u>	<u>-</u>	<u>451,214</u>	<u>2,714,815</u>	

Net fair values of financial assets and liabilities

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

22. RELATED PARTY DISCLOSURES

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

	2007 %	2006 %
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 17.

**COMET RESOURCES LTD
and its Controlled Entities
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

22. RELATED PARTY DISCLOSURES (cont'd)

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year:

Related party		Sales to related parties \$	Amount owed by related parties \$	Amounts owed to related parties \$
Subsidiary:				
Environmental Oil Solutions	2007	120,000	861,280	
	2006	11,700	221,673	-

Transactions with key management personnel are disclosed in Note 17.

23. EVENTS SUBSEQUENT TO BALANCE DATE

As at the date of this report the fair value of shares and options held in Ferrowest Limited was \$3,950,000.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group does not have any contingent assets or liabilities other than the mentioned above.

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

The directors of Comet Resources Limited declare that:

- (a) the financial statements and notes, set out on pages 14 to 44 are in accordance with the Corporations Act 2001:
- give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the Company and 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 has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial period ending 30 June 2007

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



RO Jones
Director

Dated at Perth this 12 day of September 2007

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

Report on the Financial Report

We have audited the accompanying financial report of Comet Resources Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report of the Group, comprising the financial statements and notes, complies with International Financial Reporting Standards, but that the financial report of the Company does not comply.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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 and fair presentation of the financial report 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. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

1. In our opinion:
 - (a) the financial report of Comet Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
 - (b) the financial report of the Group also complies with International Financial Reporting Standards as disclosed in note 2.

STANTONS INTERNATIONAL (An Authorised Audit Company)

Stantons International



Keith Lingard
Director

West Perth, Western Australia
12 September 2007

12 September 2007

Board of Directors
Comet Resources Limited
Level 9
190 St Georges Terrace
PERTH WA 6000

Dear Directors

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 2007, 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 sincerely
STANTONS INTERNATIONAL
(Authorised Audit Company)



Keith Lingard
Director

**COMET RESOURCES LTD
and its Controlled Entities
ASX ADDITIONAL INFORMATION**

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

The information is made as at 11 September 2007.

Twenty largest shareholders		
	Number	%
Rojex Mining Services Pty Ltd	9,263,341	13.56
ANZ Nominees Ltd	7,222,030	10.57
Danari Holdings Ltd	5,000,000	7.32
Alberta Resources Pty Ltd	3,689,085	5.40
Chesilton Pty Ltd	3,000,000	4.39
Broomehill Pty Ltd	2,667,047	3.90
Clodene Pty Ltd	2,218,739	3.25
Yandal Investments Pty Ltd	1,600,000	2.34
Alford Bay Pty Ltd	1,348,000	1.97
Mr Howard Graham & Mrs Leigh Valerie Dawson	1,238,206	1.81
Mr Philip Holmewood	1,163,200	1.70
Mr Alex Negus	1,017,000	1.49
Tansearch Pty Ltd	960,500	1.41
Mr Scott Matheson	800,000	1.17
Abancourt Holdings Pty Ltd	798,343	1.17
Klip Pty Ltd	744,438	1.09
Mr Anthony Cooper	713,538	1.04
CW Johnston Pty Ltd	500,000	0.73
Bee Dee Investments Ltd	500,000	0.73

Number of share, incentive share and option holders

68,317,903 fully paid ordinary shares are held by 707 shareholders.

2,725,000 class A incentive shares are held by 6 shareholders.

4,125,000 class B incentive shares are held by 6 shareholders.

500,000 options exercisable at 15 cents and expiring 31 January 2009 are held by 1 optionholder.

**COMET RESOURCES LTD
and its Controlled Entities
ASX ADDITIONAL INFORMATION (CONT'D)**

Distribution of share, incentive shares and option holders

	Fully paid	Class A Incentive shares	Class B Incentive shares	Options 31.01.2009
1-1,000	25	-	-	-
1,001-5,000	103	-	-	-
5,001-10,000	184	-	-	-
10,001-100,000	319	1	1	-
100,001 & over	76	5	5	1
TOTAL	707	6	6	1

Holders of non-marketable parcels

There are 72 shareholders that hold less than a marketable parcel of 125,379 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:

Mr Robert (Roj) Jones & Rojex Mining Services Pty Ltd – 9,263,341 fully paid shares;
Mr Anthony Cooper & Alberta Resources Pty Ltd – 4,402,623 fully paid shares;
Danari Holdings Pty Ltd – 5,000,000 fully paid shares; and
Mr Roger Hill, Alford Bay Pty Ltd and Broomehill Pty Ltd – 4,175,045 fully paid shares

Stock exchange listing

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

**COMET RESOURCES LTD
and its Controlled Entities
CORPORATE GOVERNANCE STATEMENT**

Corporate governance disclosures

During the financial year the Company has complied with each of the 10 Essential Corporate Governance Principles and the corresponding Best Practice Recommendations, other than in relation to the matters specified below:

Best Practice Recommendation	Notification of departure	Explanation of departure
2.1	Majority of Board not independent	The size and scope of the Company's activities does not justify the cost of appointing two additional independent directors.
2.2	Chairman is not independent	The Board considers that the executive role carried out by the Chairman is in the best interests of the Company.
2.4	The Company does not have a Nomination Committee	The role of the Nomination Committee has been assumed by the full Board. The size and scope of the Company's activities does not justify the establishment of such a Committee.
4.2, 4.3 & 4.4	The Company does not have an Audit Committee	The role of the Audit Committee has been assumed by the full Board. The size and scope of the Company's activities does not justify the establishment of such a Committee.
4.5	No Audit Committee charter and no rotation of external audit engagement partner.	All matters concerning the Company's financial statements were scrutinised by and determined by the Board. The Company utilises the services of an independent audit firm that has only two audit partners. Rotation will occur in due course.
9.2	No Remuneration Committee	The role of the Remuneration Committee has been assumed by the full Board. The size and scope of the Company's activities does not justify the establishment of such a Committee. No director participated in any deliberation regarding his own remuneration or related issues.
9.5	No Remuneration Committee charter	All matters of remuneration were scrutinised by and determined by the Board.

**COMET RESOURCES LTD
and its Controlled Entities
TENEMENT LISTING**

Tenement Listing		
Project	Interest	Tenement
Utopia	100%	EL 28/1412
	100%	EL 28/1494
	100%	EL 28/1495
Jilbadji	100%	EL28/1657
	100%	ELA 77/1182
Perenjori (Paradise)	100%	EL59/2602
Kerrs Creek	100%	EL 6240
Browns Reef	100%	EL 6321
		EL6657
Murrumbateman	100%	EL 6295
Starfield	100%	EL 6549