

COMET RESOURCES LIMITED

ACN 060 628 202

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS AND EXPLANATORY MEMORANDUM

To be held at 12.00 pm (WST) on Wednesday, 2nd November 2016

at

The Boardroom
Kalamunda Hotel
43 Railway Road
Kalamunda, Western Australia

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

A Proxy Form is enclosed

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

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of Shareholders of Comet Resources Limited will be held at the Boardroom, Kalamunda Hotel, 43 Railway Parade, Kalamunda, Western Australia on Wednesday, 2nd November 2016 at 12.00 pm (WST).

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

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

BUSINESS OF THE EXTRAORDINARY GENERAL MEETING

RESOLUTIONS

1. Re-election of Directors

To consider and, if thought fit, to pass, with or without amendment the following separate resolutions as **ordinary resolutions**:

- (i) "That for the purpose of the Corporations Act, clause 3.6 of the Constitution and for all other purposes, Mr Robert Oswald Jones, being a Director of the Company who ceases to hold office immediately before the end of the Extraordinary General Meeting in accordance with section 250V(1)(b) of the Corporations Act and, being eligible, is re-elected as a Director of the Company".
- (ii) "That for the purpose of the Corporations Act, clause 3.6 of the Constitution and for all other purposes, Mr Edmund Czechowski, being a Director of the Company who ceases to hold office immediately before the end of the Extraordinary General Meeting in accordance with section 250V(1)(b) of the Corporations Act and, being eligible, is re-elected as a Director of the Company".
- (iii) "That for the purpose of the Corporations Act, clause 3.6 of the Constitution and for all other purposes, Mr Hamish Halliday, being a Director of the Company who ceases to hold office immediately before the end of the Extraordinary General Meeting in accordance with section 250V(1)(b) of the Corporations Act and, being eligible, is re-elected as a Director of the Company".

Resolutions 1(i) - 1(iii) will only be put to the Meeting if Resolution 2 (Spill Resolution) at the Company's 2016 Annual General Meeting is passed. Please read the accompanying Explanatory Memorandum to the 2016 Annual General Meeting for further information.

Dated 26th September 2016

BY ORDER OF THE BOARD



Edmund Czechowski
Company Secretary

COMET RESOURCES LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Extraordinary General Meeting to be held at the Boardroom, Kalamunda Hotel, 43 Railway Parade, Kalamunda, Western Australia on Wednesday 2nd November 2016 at 12.00 pm (WST).

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

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

Background to the Extraordinary General Meeting

At the Company's 2015 Annual General Meeting more than 25% of the votes were cast against the adoption of the 2015 Remuneration Report. If at the 2016 Annual General Meeting (due to be held immediately before the Extraordinary General Meeting) 25% or more of votes cast are against the adoption of the 2016 Remuneration Report, Shareholders will be required to vote on a Resolution ("Spill Resolution") on whether a further general meeting of the Company ("Spill Meeting") will be convened at which all of the Company's Directors (**other than the Managing Director**) must stand for re-election should they wish to continue as Directors.

Please see the accompanying Notice of 2016 Annual General Meeting for further information regarding the Spill Resolution and Spill Meeting.

Spill Meeting

This Extraordinary General Meeting is the Spill Meeting and will take place if the Spill Resolution is passed. If the Spill Resolution is not required to be voted on, or is not passed at the 2016 Annual General Meeting, the Resolutions proposed to be voted on at this Extraordinary General Meeting are not required and will be withdrawn.

If the Spill Resolution is passed, all of the Company's Directors who were in office when the Board resolution to approve the Directors' Report was passed, will cease to hold office immediately before the end of the Spill Meeting. Those Directors elected or re-elected at the Spill Meeting will commence to hold office at the end of the Spill Meeting. Mr Jones, Mr Czechowski and Mr Halliday were Directors of the Company when the Board resolution to approve the Directors' Report was passed. Mr Jones, Mr Czechowski and Mr Halliday have nominated for re-election to the office of Director.

Notwithstanding the results of the Spill Meeting, the Company may retain three Directors (or two plus the Non-Executive Chairman), being the minimum number of Directors required for a public company under the Corporations Act. If no person receives sufficient votes to be elected as Director by way of ordinary resolution, then the Directors that are retained to maintain the statutory minimum will be those candidates for election with the most votes cast in favour of their appointment. If two or more persons have the same percentage of votes in favour of their appointment, the other Directors will choose one of those persons as the appointed Director.

For the purpose of determining the length of time in office for future retirements by rotation, each Director who is re-elected at a Spill Meeting is considered to have been in office from the time of their previous election (ie their term of office runs as if the cessation and appointment at the Spill Meeting had not happened).

ELECTION OF DIRECTORS

Resolution 1(i) – Mr Robert Oswald Jones

Mr Jones being a Director of the Company, who will cease to hold office immediately before the end of the Spill Meeting and, being eligible, offers himself for re-election a Director of the Company.

Details of Mr Jones's qualifications and experience are contained in the Company's 2016 Annual Report.

Directors' Recommendation

The Directors (with Mr Jones abstaining) unanimously recommend that Shareholders vote **in favour** of this Resolution.

Resolution 1(ii) – Mr Edmund Czechowski

Mr Czechowski being a Director of the Company, who will cease to hold office immediately before the end of the Spill Meeting and, being eligible, offers himself for re-election a Director of the Company.

Details of Mr Czechowski's qualifications and experience are contained in the Company's 2016 Annual Report.

Directors' Recommendation

The Directors (with Mr Czechowski abstaining) unanimously recommend that Shareholders vote **in favour** of this Resolution.

Resolution 1(iii) – Mr Hamish Halliday

Mr Halliday being a Director of the Company, who will cease to hold office immediately before the end of the Spill Meeting and, being eligible, offers himself for re-election a Director of the Company.

Details of Mr Halliday's qualifications and experience are contained in the Company's 2016 Annual Report.

Directors' Recommendation

The Directors (with Mr Halliday abstaining) unanimously recommend that Shareholders vote **in favour** of this Resolution.

CHAIRMAN'S UNDIRECTED PROXIES

The Chairman of the meeting will vote undirected proxies on, and in favour of all the proposed Resolutions.

VOTING BY PROXY

Please note that:

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

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Definitions

In this Notice of Meeting and the Explanatory Memorandum:

\$ means Australian Dollars.

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

ASIC means Australian Securities and Investments Commission.

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

Board or Board of Directors means the Board of Directors of the Company.

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

Closely Related Party means:

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

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

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

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

Director means a Director of the Company.

Directors' Report means the annual directors' report.

EGM, Extraordinary General Meeting or Meeting means the extraordinary general meeting of Shareholders convened for the purpose of considering the Resolutions.

Explanatory Memorandum means the Explanatory Memorandum attached to the Notice.

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

Key Management Personnel means key management personnel as identified in the Remuneration Report for the financial year ended 30 June 2016.

Listing Rules means the listing rules of ASX.

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

Notice means this notice of meeting.

Managing Director means the Managing Director of the Company.

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

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

Resolution means a resolution contained in the Notice.

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

Shareholder means a shareholder of the Company.

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

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

The Company Secretary
Comet Resources Limited

By delivery:

Unit 1
4 Kalamunda Road
Kalamunda WA 6076

By post:

Unit 1
4 Kalamunda Road
Kalamunda WA 6076

By email:

comet@cometres.com.au

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We¹ _____ of _____

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

The Chairman of the Meeting (mark box)

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

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at 12.00 pm (WST) on Wednesday, 2nd November 2016, at the Boardroom, Kalamunda Hotel, 43 Railway Parade, Kalamunda, Western Australia and at any adjournment or postponement of that Meeting.

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

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

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

Please read the voting instructions overleaf before marking any boxes with

Step 2 – Instructions as to Voting on Resolutions

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

		For	Against	Abstain*
Resolution 1(i)	Re-election of Director – Mr RO Jones	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 1(ii)	Re-election of Director – Mr E Czechowski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 1(iii)	Re-election of Director – Mr H Halliday	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Authorised signature/s

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

Individual or Shareholder <div style="border: 1px solid black; height: 20px; width: 100%;"></div> Director/Sole Director and Sole Company Secretary	Shareholder <div style="border: 1px solid black; height: 20px; width: 100%;"></div> Director	Shareholder <div style="border: 1px solid black; height: 20px; width: 100%;"></div> Director/Company Secretary
Contact Name	Contact Daytime Telephone	Date

¹Insert name and address of Shareholder

² Insert name and address of proxy

Proxy Notes:

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

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

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

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

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

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

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

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