

COMET RESOURCES LIMITED

ACN 060 628 202

PROSPECTUS

For the offer of up to 100,000 Shares in the capital of the Company at an issue price of \$0.02 per Share to raise up to \$2,000 (before expenses) (**Share Offer**).

This Prospectus also contains offers of:

- (a) up to 25,000,000 Options to participants in the February Placement (**Placement Option Offer**); and
- (b) 18,377,619 Options to be issued to Peloton Capital Pty Ltd (**Broker Option Offer**).

THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT 2001 FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF SHARES ISSUED PRIOR TO CLOSE OF THE OFFER

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered under this Prospectus should be considered speculative.

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2. CORPORATE DIRECTORY

Directors

Mr Hamish Halliday
Non-Executive Chairman

Mr Matthew O'Kane
Managing Director

Mr Alexander Molyneux
Non-Executive Director

Mr David Prentice
Non-Executive Director

Company Secretary

Mr Sonu Cheema

Share Registry*

Automic Registry Services
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267 St Georges Terrace
PERTH WA 6000

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ASX Code

CRL

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4
The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditors*

Stantons International
Level 2
1 Walker Avenue
WEST PERTH WA 6005

*These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

3. TIMETABLE AND IMPORTANT NOTES

3.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	12 February 2021
Opening Date of the Offers	9:00am 12 February 2021
Closing Date of the Offers*	5:00pm WST on 15 February 2021
Issue of Options under the Placement Option Offer and Broker Option Offer	12 February 2021

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

3.2 Important Notes

This Prospectus is dated 12 February 2021 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offers are only available to those who are personally invited to accept the Offers. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.cometres.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and

any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

3.4 Risk Factors

Potential investors should be aware that subscribing for Shares and Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares or Options pursuant to this Prospectus.

3.5 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

3.6 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

4. DETAILS OF THE OFFERS

4.1 Share Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 100,000 Shares at an issue price of \$0.02 per Share to raise up to \$2,000 (before expenses).

The Share Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

4.2 The Placement Option Offer

On 12 February 2021, the Company completed a placement of 50,000,000 Shares at an issue price of \$0.02 (**Placement Shares**) to raise \$1,000,000 (**February Placement**).

The Placement Option Offer is an offer, for nil cash consideration, of up to 25,000,000 free-attaching Options (**Placement Options**) on the basis of one (1) free-attaching Option for every two (2) Share subscribed for under the February Placement.

No funds will be raised from the issue of the Placement Options as they are being issued free attaching with the Placement Shares.

Only participants in the February Placement will be eligible to apply for the Placement Options under the Options Offer. Accordingly, the Placement Option Offer will only be extended to specific parties on invitation from the Directors and the Placement Option Offer Application Form will be provided by the Company to these parties only.

The Placement Options will be issued on the terms and conditions set out in Section 6.2

The purpose of the Placement Option Offer is set out in Section 5.1.1.

4.3 The Broker Option Offer

The Company engaged Peloton Capital Pty Ltd (ACN 149 540 018) (**Peloton**) to act as lead manager to the February Placement (being the subject of the Placement Option Offer, as set out in Section 4.2 above). Pursuant to the Broker Option Offer, Peloton (or its nominee) will be issued 18,377,619 Options, comprising:

- (a) 6,125,873 unquoted Options exercisable at \$0.03 each, on or before the date which is 2 years from the date of issue;
- (b) 6,125,873 unquoted Options exercisable at \$0.05 each, on or before the date which is 2 years from the date of issue; and
- (c) 6,125,873 unquoted Options exercisable at \$0.07 each, on or before the date which is 2 years from the date of issue of issue,

(together, the **Broker Options**).

The Broker Options are being issued as part of the fees for services provided to the Company as lead manager to the February Placement.

The Broker Options will be issued on the terms and conditions set out in Section 6.2.

The purpose of the Broker Options Offer is set out in Section 5.1.1.

4.4 Objective

The Company is seeking to raise only a nominal amount of \$2,000 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

A primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

4.5 Application for Shares and Options

Applications for Shares and Options must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

4.6 Minimum subscription

There is no minimum subscription to the Offers.

4.7 Underwriter

The Offers are not underwritten.

4.8 Issue

Shares and Options issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Where the number of Shares or Options issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Offers.

Pending the issue of the Shares/Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares and/or Options issued under the Offers will be mailed in accordance with the timetable set out at the commencement of this Prospectus.

4.9 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

Application will not be made for quotation of any Options being issued under this Prospectus.

4.10 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares/Options or otherwise permit an offering of the Shares/Options the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares/Options pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

4.11 Enquiries

Any questions concerning the Offers should be directed to Sonu Cheema, Company Secretary, on +61 8 6489 1600.

5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Share Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). All of the funds raised from the Share Offer (if any) will be applied towards the expenses of the Offers. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offers.

5.1.1 Purpose of the Broker Option Offer and Placement Option Offer

The Broker Option Offer and Placement Option Offer are being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Options under the Broker Option Offer and Placement Option Offer are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of those Options can be on-sold within 12 months of their issue, without a disclosure document or cleansing statement for the on-sale offer.

5.2 Effect of the Offers on capital structure

The effect of the Offers on the Company's capital structure is set out below.

Shares ¹	Number
Shares currently on issue	612,587,269
Shares to be issued pursuant to the February Placement ²	50,000,000
Shares offered under this Prospectus ³	100,000
Total Shares on issue on completion of the Offer⁴	662,687,269

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 6.1 of this Prospectus.
2. As announced on 8 February 2021, the issue of 50,000,000 Placement Shares at \$0.02 per fully paid ordinary share to raise \$1,000,000 before costs.
3. Assumes the Share Offer is fully subscribed.
4. This assumes the Share Offer is fully subscribed and no convertible securities are converted into Shares.

Options	Number
Unquoted options exercisable at \$0.06 each on or before 30 June 2021	41,250,000
Unquoted Options exercisable at \$0.02 on or before 30 June 2021	76,400,000
Unquoted Options exercisable at \$0.018 on or before 30 June 2023	10,500,000
Unquoted Options exercisable at \$0.022 on or before 30 June 2023	10,500,000
Unquoted Options exercisable at \$0.0325 on or before 30 June 2023	20,869,565
Unquoted Options exercisable at \$0.03 on or before 1 December 2023	1,000,000
Unquoted Options exercisable at \$0.025 on or before 8 October 2025	1,500,000
Unquoted Options exercisable at \$0.035 on or before 8 October 2025	1,500,000
Placement Options offered under this Prospectus	25,000,000

Broker Options offered under this Prospectus	18,377,619
Total Options on issue on completion of the Offers	206,897,184

5.3 Financial effect of the Offers

After expenses of the Offers of approximately \$8,128 there will be no proceeds from the Offers. The expenses of the Offers (exceeding \$2,000) will be met from the Company's existing cash reserves.

As such, the Offers will have an effect on the Company's financial position, being the costs of preparing the Prospectus of approximately \$8,128 less the receipt of funds of \$2,000.

However, set out below is the audited consolidated statement of financial position of the Company as at 30 June 2020 and the audited pro forma consolidated statements of financial position of the Company. These have been prepared on an unaudited basis but on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position resulting from the issue of Placement Shares, Placement Options and Broker Options, financial impact from operations for the period 1 July 2020 to 31 December 2020 and then the Offer (including expenses of the Offer) and assumes no further Shares are issued (including by way of exercise of Options).

The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements. The significant accounting policies upon which the consolidated statement of financial position and the pro forma consolidated statements of financial position are contained in the audited financial report for the year ended 30 June 2020.

	NOTE	Consolidated audited 30 June 2020 \$	Consolidated Unaudited Pro Forma 30 June 2020 \$
Current Assets			
Cash and cash equivalents	1	673,692	3,320,275
Trade and other receivables		28,197	36,129
Prepayments	2	114,500	568,409
Total Current Assets		816,389	3,924,813
Non-Current Assets			
Other financial assets		2,000	2,000
Capitalised Exploration and Evaluation Expenditure		300,000	360,001
Total Non-Current Assets		302,000	362,001
Total Assets		1,118,389	4,286,813
Current Liabilities			
Trade and other payables		114,573	78,780
Provisions		9,796	9,796
Total Current Liabilities		124,369	88,576
Non-Current Liabilities			

Other financial liabilities		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		124,369	88,576
Net Assets		994,020	4,198,237
Equity			
Issued capital		12,287,828	16,541,498
Reserves	3	926,092	1,279,222
Accumulated losses		(12,219,900)	(13,622,483)
Total Equity		994,020	4,198,237

Note 1 - Cash and cash equivalents	\$
Per audited balance sheet as at 30 June 2020	673,692
Issue of Shares under the Offer	2,000
Costs associated with the Offer	(8,128)
Share Placement	1,000,000
Costs associated with Share Placement	(60,000)
Cash movement for period 1 July 2020 to 31 Dec 2020	1,712,711
Per Pro-Forma balance sheet as at 30 June 2020	3,320,275

Note 2 - Prepayments	\$
Per audited balance sheet as at 30 June 2020	114,500
Santa Teresa Gold Project Acquisition 50% complete	527,500
Prepayment movement for period 1 July 2020 to 31 Dec 2020	(73,591)
Per Pro-Forma balance sheet as at 30 June 2020	568,409

Note 3 - Reserves	\$
Per audited balance sheet as at 30 June 2020	926,092
Reserve movement for period 1 July 2020 to 31 Dec 2020	228,636
Issue of Options to Lead Manager or their Nominee	124,494
Per Pro-Forma balance sheet as at 30 June 2020	1,279,222

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES AND OPTIONS

6.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings and notices

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the

Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 **Rights and liabilities attached to Options**

The terms and conditions of the Placement Options and the Broker Options are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be:

- (i) \$0.03, in respect of 25,000,000 of the Placement Options, as detailed in Section 4.2;
- (ii) \$0.03, in respect of 6,125,873 of the Broker Options, as detailed in Section 4.3;
- (iii) \$0.05, in respect of 6,125,873 of the Broker Options, as detailed in Section 4.3; and
- (iv) \$0.07, in respect of 6,125,873 of the Broker Options, as detailed in Section 4.3,

(Exercise Price).

(c) **Expiry Date**

Each Option:

- (i) the subject of the Placement Option Offer will expire at 5:00 pm (WST) on the date which is 2 years from the date of issue; and
- (ii) the subject of the Broker Option Offer will expire at 5:00 pm (WST) on the date which is 2 years from the date of issue,

(Expiry Date).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Quotation**

The Company will not apply for quotation of the New Options or the Broker Options.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the price at which securities will trade, payment of dividends or return of capital. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statement will eventuate.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Coronavirus (COVID-19)

The outbreak of the coronavirus (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are actively monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on potential

revenue channels and any adverse impact on the Company and its operations. If any of these impacts appear material prior to close of the Offers, the Company will notify investors under a supplementary prospectus.

(b) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(c) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company will likely require further financing in addition to amounts raised under the capital raising. Any additional equity financing (including subject to Shareholder approval, further investments under the Subscription Agreement) will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development and research programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Grant of authorisations to explore and enter production**

The Company does not currently hold all material authorisations required to undertake exploration programs on its projects in New South Wales (NSW) or Mexico. In Mexico the Company is currently awaiting permits to allow the Company to commence drilling. In New South Wales the Company is yet to receive Government sign off to allow exploration to occur on crown land. It is anticipated that this will occur following finalisation of an agreement with the holders of native title.

There can be no assurance that the exploration applications that are currently pending will be granted. There can be no assurance that when the exploration authorisations are granted, they will be granted in their entirety. Additionally, some of the tenement areas applied for may be excluded. The Company is unaware of any circumstances that would prevent the exploration authorisation from being granted, however the consequence of being denied the applications for reasons beyond the control of the Company could be significant.

If the Company pursues development of an economically viable mineral deposit, it will, among other things, require various approvals, permit and licences before it will be able to produce minerals from the deposit, and need to satisfy certain environmental approval processes. There is no guarantee that that Company will be able to obtain, or obtain in a timely fashion, all required approvals, licences or permits or satisfy all environmental approval processes. To the extent that required authorisations are not obtained or are delayed, the Company's operations may be significantly impacted in the future.

7.3 Industry Specific

(a) **Production Risk and Ore Reserve and Mineral Resource Estimates**

When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. This is particularly so where new technologies are employed. Each mineral deposit is unique. The nature of mineralisation, the occurrence and grade of the deposit, as well as its behaviour during extraction and processing can never be wholly predicted.

Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation of samples from drilling, which even at close drill hole spacing, represent a very small sample of the entire orebody. Ore Reserve and Mineral Resource estimates are therefore expressions of judgement based on knowledge, experience and industry practice. Though the estimates may be accurate global approximations of commodity content, localised grade variability may exist, which could result in short term deviations from production expectations.

By their very nature, Ore Reserve and Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Reported estimates, which were valid when originally estimated, may alter significantly when new information or techniques become available. As the Company obtains new information through drilling and analysis, Ore Reserve and Mineral Resource estimates are likely to change. This may result in alterations to the Company's exploration, development and production plans which may, in turn, positively or negatively affect the Company's operations and financial position.

(b) **Operating and Development Risks**

The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured.

The business of commodity extraction involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in production, increased production costs and other monetary losses and possible legal liability to the owner or operator of the project.

In addition, the Company's profitability could be adversely affected if for any reason its production and processing of or project development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials and equipment, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, poor water

condition, interruptions to gas and electricity supplies, human error and adverse weather conditions.

(c) **Extraterritorial risks**

The Company has interests in assets overseas, namely Mexico, and in that respect such assets are subject to risks particular to their extraterritoriality such as changes in laws, practices and policies in the relevant jurisdictions, including laws that deal with overseas investors. In particular, logistical difficulties may arise due to the assets being located overseas including the incurring of additional costs with respect to overseeing and managing the projects, including costs associated with taking advice in relation to the application of local laws as well as the cost of establishing a local presence in Mexico.

Changes to Mexico's mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability. In particular, while there are currently no restrictions on the foreign ownership of mining companies in Mexico, there can be no assurance that the requirements of the various governments in respect of foreign ownership and control of mining companies will not change. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations.

(d) **Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.

(e) **Project development**

Possible future development of mineral production operations at the Company's projects are dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production on any of its projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the projects. The risks associated with the development of a resources project will be considered in full should any of the Company's reach that stage and will be managed with ongoing consideration of stakeholder interests.

Feasibility studies are used to determine the economic viability of a deposit. Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future metals prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be extracted and processed, the configuration of the ore body, ground and production conditions, expected recovery rates of the commodities from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and as a result, the Company cannot give any assurance that its development or exploration projects will become operating projects. If a project is developed, actual operating results may differ from those anticipated in a feasibility study.

(f) **Exploration and Production Licences**

The ability of the Company to carry out successful exploration and production activities will depend on the ability to maintain or obtain tenure to production licences. The maintenance or issue of any such titles must be in accordance with the laws of the relevant jurisdiction and in particular, the relevant mining legislation. Conditions imposed by such legislation must also be complied with. No guarantee can be given that tenures will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed or that they will not be planted by third parties.

The Company cannot give any assurance that title to its tenements will not be challenged or impugned. The tenements may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects or native title claims.

(g) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mineral resources operations, the Company's activities are expected to have an impact on the environment, particularly if production proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mineral resources operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of any waste products that may occur as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable weather events, may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mineral production and process waste and water discharge are under constant legislative scrutiny and regulation. There is

a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(h) **Fluctuation in commodity prices**

International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on commodity prices, particularly in the current global economic market. As the Company is currently not in production, future revenue that may come from the sale of these mineral products and the Company's future profits are related to and influenced by the market price of commodity products.

If the price of commodities seriously decline in the future, this will materially impact on the Company's ability to continue with its projects and the Company may be forced to discontinue some or all of its operations.

The Company gives no assurance that the fluctuations in the commodity prices will not affect timing and viability of the projects.

7.4 General Risks

(a) **Economic conditions and other global or national issues**

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in

general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Climate change risks**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. Relevant to the Company, climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(d) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mineral production permitting in Mexico may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(e) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(f) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
8 February 2021	Proposed issue of Securities - CRL
8 February 2021	Proposed issue of Securities - CRL
8 February 2021	Proposed issue of Securities - CRL
8 February 2021	Proposed issue of Securities - CRL
8 February 2021	Comet Raises \$1m In Strategic Investor Placement
5 February 2021	Trading Halt
5 February 2021	Pause in Trading
3 February 2021	Santa Teresa Gold Project Update
29 January 2021	Quarterly Activities Report and Appendix 5B Dec 2020
13 January 2021	High Grade Copper and Zinc Mineralisation Confirmed
16 December 2020	Santa Teresa Gold Project Drilling to Commence Q1 2021
14 December 2020	Appendix 2A and Cleansing Notice
14 December 2020	Proposed issue of Securities - CRL
14 December 2020	Proposed issue of Securities - CRL
14 December 2020	Proposed issue of Securities - CRL
14 December 2020	Proposed issue of Securities - CRL
14 December 2020	Proposed issue of Securities - CRL
14 December 2020	Proposed issue of Securities - CRL
30 November 2020	Results of Meeting
26 November 2020	Extensive Surface Copper Mineralisation at Barraba Project
16 November 2020	Change of Share Registry
30 October 2020	Notice of Annual General Meeting/Proxy Form
29 October 2020	Quarterly Activities Report and Appendix 5B Sep 2020

Date	Description of Announcement
26 October 2020	Change of Directors' Interests x 4
26 October 2020	Appendix 3G
22 October 2020	Comet Gains Access to Explore Barraba Copper Project
21 October 2020	Proposed issue of Securities - CRL
16 October 2020	Appendix 2A and Cleansing Notice
15 October 2020	Appointment of Project Manager - Santa Teresa Gold Project
13 October 2020	Initial JORC Resource - Santa Teresa Gold Project
8 October 2020	AGM Notice 2020
7 October 2020	Appendix 2A
5 October 2020	SPP Raises \$1,000,000

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.v-er.com.

8.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.033	9 February 2021
Lowest	\$0.018	23 December 2020
Last	\$0.025	11 February 2021

8.4 Details of substantial holders

Based on publicly available information as at 8 February 2021, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
OIC Nominees Limited ¹	35,700,000	5.83

Notes:

1. Comprising 35,700,000 Shares held directly.
2. Any changes to substantial holdings will be announced once change in substantial holding forms have been lodged with the Company.

8.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers pursuant to this Prospectus; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Mr Matthew O'Kane ¹	-	12,000,000
Mr Hamish Halliday ²	9,400,000	3,000,000
Mr Alexander Molyneux ³	-	3,000,000
Mr David Prentice ⁴	683,333	3,000,000

Notes:

1. Comprising of 6,000,000 Unlisted options exercisable at \$0.018 on or before 30 June 2023 and 6,000,000 Unlisted options exercisable at \$0.022 on or before 30 June 2023 held indirectly by Min Jung Cha <The Freshwater A/C>.
2. Comprising of 9,400,000 shares, 1,500,000 Unlisted options exercisable at \$0.018 on or before 30 June 2023 and 1,500,000 Unlisted options exercisable at \$0.022 on or before 30 June 2023 held directly by Hamish Halliday and indirectly by Mctavish Industries Pty Ltd <Mctavish Super Fund>.
3. Comprising of 683,333 shares, 1,500,000 Unlisted options exercisable at \$0.018 on or before 30 June 2023 and 1,500,000 Unlisted options exercisable at \$0.022 on or before 30 June 2023 held indirectly by Mr David Prentice + Mrs Mirella Rosnna Prentice <D&M Prentice Superfund A/C>.
4. Comprising of 1,500,000 Unlisted options exercisable at \$0.018 on or before 30 June 2023 and 1,500,000 Unlisted options exercisable at \$0.022 on or before 30 June 2023 held directly by Alexander Molyneux.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each

non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Remuneration for year ended 30 June 2019	Remuneration for year ended 30 June 2020	Proposed remuneration for year ended 30 June 2021
Mr Matthew O'Kane	Nil	\$153,382 ⁴	\$442,810 ⁸
Mr Hamish Halliday	\$261,300 ¹	\$75,000 ⁵	\$110,421 ⁹
Mr Alexander Molyneux	\$15,504 ²	\$39,693 ⁶	\$90,421 ¹⁰
Mr David Prentice	\$26,667 ³	\$40,000 ⁷	\$75,421 ¹¹

Notes:

1. Consists of \$75,000 in salary and fees and \$186,300 in share based payments.
2. Consists of \$15,000 in salary and fees and \$504 in share based payments.
3. Consists of \$26,667 in salary and fees.
4. Consists of \$140,193 in salary and fees and \$12,469 in superannuation.
5. Consists of \$75,000 in salary and fees.
6. Consists of \$39,693 in salary and fees.
7. Consists of \$40,000 in salary and fees.
8. Consists of \$275,000 in salary and fees, \$26,125 in superannuation and \$141,685 in share based payments.
9. Consists of \$75,000 in salary and fees and \$35,421 in share based payments.
10. Consists of \$55,000 in salary and fees and \$35,421 in share based payments.
11. Consists of \$40,000 in salary and fees and \$35,421 in share based payments.

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$3,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$132,995 (excluding GST and disbursements) for legal services provided to the Company.

8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Estimated expenses of Offers

The total expenses of the Offers are estimated to be approximately \$8,128 as follows:

Expense	(\$)
ASIC Fees	3,206
ASX Fees	1,922
Legal Fees	3,000
Total	8,128

8.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 6189 8767 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder,

facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Hamish Halliday
Non-Executive Chairman
For and on behalf of
COMET RESOURCES LIMITED

10. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for Shares or Options pursuant to the Offers.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Broker Option has the meaning give to that term in Section 4.3.

Broker Option Offer means the offer of Options pursuant to this Prospectus as set out in Section 4.3.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable in Section 3.1 of this Prospectus (unless extended or brought forward).

Company means Comet Resources Limited (ACN 060 628 202).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

Offers means the Share Offer, the Broker Option Offer and/or the Placement Option Offer (as the context requires).

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offers as specified in the timetable set out in Section 3.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Placement Option has the meaning give to that term in Section 4.2.

Placement Option Offer means the offer of Options pursuant to this Prospectus as set out in Section 4.2.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Share Offer means the offer of up to 100,000 Shares at an issue price of \$0.02 per Share to raise up to \$2,000 as set out in Section 4.1.

Shareholder means a shareholder of the Company.

WST means western standard time as observed in Perth, Western Australia.