MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fifteen-month period ended December 31, 2014and the twelve-month period ended September 30, 2013

The Management's Discussion and Analysis, for the fifteen-month period ended December 31, 2014, should be read in conjunction with the consolidated audited financial statements for the fifteen-month period ended December 31, 2014 of Komet Resources Inc. (previous Komet Manufacturers Inc.) and the audited financial statements of Komet Manufacturers Inc. for the twelve-month period ended September 30, 2013.

This review was performed by the management with the information available as of April 29, 2015. Additional information relating to the Company can be found on SEDAR at: www.sedar.com.

Forward-Looking Statements

Management's Discussion and Analysis is designed to assist investors in understanding the nature and the importance of the changes and trends, as well as the risks and uncertainties associated with the Company's operating results and financial position. Statements set forth in this report that describe Komet's objectives, projections, estimates, expectations or forecasts may constitute forward-looking statements within the meaning of securities legislation. Komet's management would like to point out that, by their very nature, forward-looking statements involve a number of risks and uncertainties such that the Company's actual and future results could differ materially from those indicated. There can be no assurance as to the materialization of the results, performance or achievements as expressed in or underlying the forward-looking statements. Unless required to do so pursuant to applicable securities legislation, management assumes no obligation as to the updating or revision of the forward-looking statements as a result of new information, future events or other changes.

General Overview of the Company's Activities for the period ended December 31, 2014

Change of year-end

Komet Resources Inc. has decided to modify its year end date from September 30,to December 31, each year, starting on December 31, 2014 in order to better coordinate records and figures with its subsidiary Komet Resources Afrique SA in Burkina Faso.

In order to follow the legal requirements of such a change, we have prepared a15-month audited annual financial statements ended on December 31, 2014, then by regular financial reports.

First quarter ended December 31, 2013

Under the extraordinary general meeting of shareholders of Les Manufacturiers Komet Inc./Komet Manufacturers Inc. held October 7, 2013, it was resolved to approve the change of status of the company and a change in the name of the company to Les Ressources Komet Inc./Komet Resources Inc. (change completed October 28, 2013 under Quebec Corporation Act.), to approve a change in activities involving the acquisition, exploration and development of mining properties, and to approve the agreement signed with Virginia Mines Inc. for the acquisition of a 50% interest in the FCI mining property located in the James Bay area in the province of Québec by issuing 25,000 common shares and investing a sum of $4,000,000 in exploration expenditures on the property distributed over a six years period, as follows:

Before the 1st anniversary	$350,000 (amount expensed in December, 2013)
Before August 31, 2015	$500,000 ($64,773 actually paid in December, 2014)
Before August 31, 2016	$600,000
Before August 31, 2017	$700,000
Before August 31, 2018	$900,000
Before August 31, 2019	$950,000

Moreover, the approval of a private placement of $300,000 by the issuance of 6,000,000common shares at a price of $0.05 each, less a commission of 10% and 600,000 brokers warrants at an exercise price of $0.05 each for a period of two years. This private placement was completed December 13, 2013.

Following the approval by the shareholders, the company invested $367,545 in exploration costs on the FCI property in order to respect the first year agreement with Virginia. This investment is eligible for a refundable Quebec tax credit of $142,424.

Moreover, the company has a new group of shareholders and directors that have been disclosed in the proxy circular dated August 27, 2013 before the general meeting of October 7, 2013. A significant number of common shares were held in escrow at the end of the first quarter, which represents 10,987,500 (originally 12,510,000 common shares) on a total of 33 704 829 issued and outstanding shares. This proportion will be lowered every six months until December 18,2016. As at December 31, 2014 a total of 6,822,500 shares are held in escrow.

Second quarter ended March 31, 2014

The company pursued its exploration program on the FCI property located in the James Bay region of Quebec with investments of $15,465 which will be eligible for a Quebec tax credit valued of $5,993 and the Company disclosed in a press release an update concerning its exploration program on April 16,2014 which is summarized in the exploration activities section of this report.

During the second quarter, the company began a new part of its business development strategy focused on interests for gold properties in West Africa. Mr. André Gagné, the President and CEO of Komet Resources Inc., completed two missions of ten days each to Burkina Faso and during his second mission a non-disclosure agreement was signed with a private company concerning a promising gold property located in the northern portion of the country. A mandate for a due diligence has been granted to a Burkina Faso firm in order to verify all available information concerning the subject property (Guiro/Diouga property). Also, a Memorandum of Understanding considered as a Non-Binding Letter of Intention, was signed by Mr. Gagné in Burkina Faso giving Komet the exclusive right to acquire 100% interest in the Guiro property until June 1, 2014.

Moreover, the Company initiated its second non-brokered private placement of the fifteen-month period for an amount of $1,500,000 which was closed April 29, 2014 by the issuance of 6,550,218 units at a price of $0.229 per unit. Each unit consisted of one common share and one common share purchase unit warrant, each warrant entitling its holder to purchase one common share at a price of $0.305 per share for a period of 24 months following the Closing. The gross proceeds from the private placement will be used by the Company for general working capital purposes, exploration expenses, as well as costs related to the due diligence reviews of a number of mineral properties located in Burkina Faso in West Africa.

Third quarter ended June 30, 2014

The company closed on April 29, 2014its second non-brokered private placement of the fifteen-month period for $1,500,000 by the issuance of 6,550,218 units at a price of $0.229 per unit. Each unit consisted of one common share and one common share purchase unit warrant, each warrant entitling its holder to purchase one common share at a price of $0.305 per share for a period of 24 months following the Closing. The Company reserves the right to force the conversion of the warrants in the case that the shares trade for more than 15 days at $0.40 or more. The Company is already entitled to do so as the shares already traded over $0.40 for more than 15 consecutive days during the third quarter.

The third quarter was devoted mainly to the acquisition of the Guiro / Diouga gold property in Burkina Faso owned by Stremco SA, a private company, which includes the Guiro gold mine. During this quarter, the Company signed a Memorandum of Understanding with Stremco SA and obtained a final due diligence report of the financial and legal status of the Guiro / Diouga property owned by Stremco SA. The final report dated May 2014 was prepared by Le Cabinet d'Arpentage et de Génie (CAG) from Burkina Faso. Following the receipt of the final audit report of care, the Company signed on May 28, 2014 a Memorandum of Understanding with Stremco SA to acquire all its assets including a 100% interest in the gold mine located on the Guiro / Diouga property in consideration of $600,000 in cash, assumed liabilities for a maximum of 1,220,012,900 CFA francs (about $2.8 million) and the issuance of 3,000,000 common shares of the Company. Stremco SA will retain a 2% gross royalty on gold sales made beyond the amount of $1,300 per ounce to a maximum amount of$2,000,000. The President Mr. André Gagné spent a good part of the quarter in Ouagadougou, the capital of Burkina Faso to finalize negotiations of the transaction, the transfer of license and the bank loan. In addition, the Company submitted the planned acquisition of Guiro / Diouga mine to the TSX Venture Exchange for approval, for which final approval was received on July 22, 2014.

Important decisions were taken at the board meeting on May 22, 2014 including the creation of a governance committee, a technical committee and an audit committee. These committees will be borne by council members of directors.

Also at this meeting a total of 2,950,000 stock options were granted to various members of the board of directors at an exercise price of $0.475. These were the first options to be issued by the new board of directors and are the only currently issued and outstanding options.

Fourth quarter ended September 30th 2014

The fourth quarter was mostly devoted to the preparation of all the documents required for the authorization of approval of the Guiro/Diouga license transfer transaction. Even though the completion is taking more time than previously foreseen as there were important political changes in Burkina Faso during the fourth quarter, the procedures are running their due course. Besides, further organization work has been undertaken in Guiro / Diouga at all levels so that Komet will be ready to operate in Burkina Faso as soon as the transaction is authorized. Important on-site and equipment updating work has been accomplished to get ready to operate the existing Guiro mine when the license will be transferred. Key managers were hired in the country to coordinate the operation and create working teams. On August 18, 2014, a deposit of $600,000 was placed in trust account in conjunction with this acquisition, which represents the cash amount for the acquisition of the Guiro / Diouga project.

An amount of $398,750 was received in August 2014, mostly as a result of the 1,300,000 warrants issued on April 29, 2014 at a price of $0.305 each.

Fifth quarter ended December 31, 2014

This quarter was dedicated to the various steps required to finalize the transfer of the permit (authorised on March 25, 2015). A subcontracting agreement was signed with Stremco SA in order to undertake the upgrade operations at the Guiro/Diouga mine. Besides a preliminary economic study which complies with the standards in force was carried out by the firm Peacocke & Simpson based in Zimbabwe and filed in a timely fashion. The results of this study proved to be excellent and even beyond our most optimistic expectations. At the same time, the rehabilitation works on the Guiro site increased, and more specifically aimed at improving the crushing circuit, the gravimetric facilities as well as the rehabilitation of the VAT process. All of these works should allow for accumulating worthwhile amounts of money in the early months of 2015 for funding current operations as well as the exploration campaign that will be undertaken as soon as the license is transferred.

As for the funding, an amount of $242,017 was received this quarter, as a result of the exercise of 793,500 warrants issued on April 29,2014 at a price of $0.305 each. The Company is also currently assessing the possibilities of funding for an amount of $3,000,000 by way of debenture.

Exploration activities

During the fifteen-month period ended December 31, 2014, the company invested in exploration costs on the FCI Property cumulated costs of $414,773. The costs are eligible for a tax credit of $160,725 to December 31, 2014 (amount received in March 2015).

Summary of activities

FCI Project

The FCI Project is located in James Bay area, approximately 485 km northeast of the town of Matagami (Québec). The property is situated less than 12 km from the Trans-Taiga, an all-weather gravel road, 42 km southwest of the LG-4 airport owned by Hydro-Québec. The FCI Property is composed of 423 map-designated claims for a total area of 217 km^2. Komet Resources Inc. has the option to earn an undivided 50% interest in the property from Virginia Mines inc. by funding $4-million exploration work over 6 years. Komet is the operator of the project.

Geological units of the FCI Property belong to the Archean Lac Guyer greenstone belt. The immediate region of the FCI Property is characterized by the occurrence of mafic and ultramafic rocks interlayered with horizons of meta-sedimentary and felsic volcanic rocks. The property is known to host many gold and base metal showings. The most significant gold occurrence is the Golden Gap, which is a kilometer scale deformation zone in a volcano-sedimentary sequence. Rocks are highly deformed, altered, mineralized in sulphides and injected by quartz veins. The best result from the previous drilling is 10.48 g/t Au over 7 m. The most significant polymetallic occurrence is the Sericite showing. It is made up by sericite schist with sulphides which returned up to 296 ppb Au, 150 g/t Ag, 1.89% Cu, 11.15% Pb and 1.45% Zn in surface samples.

Exploration work completed in 2013 consisted in six diamond drill holes totalling 1,125.6 m. Four of these holes (824 m) targeted the eastern extension or the Golden Gap gold zone and associated Induced Polarization anomalies. All drill holes cut 5 to 10 m sheared and altered (biotite-garnet-silica) zones associated with the Golden Gap extension. Mineralization intersected is typically 2-10%pyrrhotite-pyrite with locally 1-3% arsenopyrite. Two diamond drill holes (301.6 m) targeted EM conductor associated with the Sericite-polymetallic showing. One of these hole intersected a 14 m thick unit of sheared felsic rock with strong sericite-silica alteration and 1-15% pyrite, 5-25%pyrrhotite overall. A 0.8 m semi-massive section also contains trace of chalcopyrite (Cu) and sphalerite (Zn). The analytical results of the mineralized intersections were not significant for either base or precious metals.

FINANCIAL HIGHLIGHTS

For the fifteen-month period ended December 31,2014 compared with the twelve-month period ended September 30, 2013, 2012,2011 and 2010.

	December 31 2014	Sepetmber30 2013	September 30 2012	September 30 2011	September 30 2010
	$	**$**	**$**	**$**	**$**
Sales	**-**	-	714 210	2 827 552	5 089 430
Final sale of inventory	**-**	-	249 583	-	-
Provision for obsolete raw material and finish goods	**-**	-	(196 557)	(344 927)	(76 755)
Cost of final inventory at net realizable value	**-**	-	(249 583)	-	-
Gross margin	**-**	-	(243 196)	(267 486)	476 787
Gross margin %	**-**	-	(34.05%)	(9.46%)	(9.37%)
Penalty for termination of lease	**-**	-	(100 000)	-	-
Loss on disposal of property, plant and equipment held for sale	**-**	-	-	(374 392)	**-**
Professional fees and circular expenses	**-**	145 183	-	-	**-**
Scientific research and experimental development tax credit	**-**	-	-	-	(30 930)
Depreciation of fixed assets	**4 897**	-	3 200	128 892	240 378
General exploration fees	**697 760**	-	-	-	-
Share-based compensation	**775 050**	-	-	-	-
Other expenses	**498 934**	54 691	248 050	495 024	643 738
Other income	**6 856**	6 288	26 049	972	21 093
Loss before income taxes	**(1 969 785)**	(193 586)	(568 397)	(1 264 822)	(417 166)
Net loss	**(1 969 785)**	(193 586)	(568 397)	(1 264 822)	(374 954)
Basic and diluted loss per share	**(0.053)**	(0.01)	(0.020)	(0.046)	(0.013)

Financial position	**December 31 2014**	September 30 2013	September 30 2012	September 30 2011	September 30 2010
	$	**$**	**$**	**$**	$
Cash and cash equivalent	**682 073**	480 710	646 304	709 977	877 586
Tax credits for mining exploration	**160 725**	-	-	-	-
Current assets	**895 170**	494 526	647 043	1 860 953	3 190 779
Deposit in trust	**600 000**	-	-	-	-
Mining properties	**261 976**	-	-	-	-
Fixed assets	**47 950**	-	-	26 106	798 214
Total assets	**1 805 096**	494 526	647 043	1 887 059	3 988 993
Bank loan	**-**	-	-	-	265 000
Currents liabilities	**300 126**	98 343	57 274	675 404	1 370 623
Long-term debt	**-**	-	-	53 489	195 382

Total liabilities	**300 126**	98 343	57 274	728 893	1 566 005
Share capital	**4 048 274**	2 383 088	2 383 088	2 383 088	2 383 088
Total shareholders' equity	**1 504 970**	396 183	589 769	1 158 166	2 422 988

ANALYSIS OF RESULTS FOR THE FIFTEEN-MONTH PERIOD ENDED DECEMBER 31, 2014 COMPARED TO THE TWELVE-MONTH PERIODENDED SEPTEMBER 30, 2013.

OPERATING RESULTS

Expenses

The company did not realize products during the fifteen-month period ended December 31, 2014, similarly for the twelve-month period ended September 30, 2013 because it changed its operating activities to become a company that acquires, explores and develops mining properties which decision was approved at the extraordinary meeting held on October 7, 2013. The company has completed exploration work on the FCI Project and is now looking to acquire mining properties in West Africa. A memorandum of understanding was signed on May 2, 2014 for the acquisition of the Guiro / Diouga gold property located in Burkina Faso, and has since then finalized the terms of acquisitions to include the transfer of license (authorised March 25,2015) and obtained the approval of the TSX Venture Exchange (obtained July 22, 2014). Moreover, the on-site rehabilitation works were carried out throughout the four last months of the period. Operating expenses for the development of the Company are $1,976,641 for the fifteen-month period ended December 31, 2014 compared to $199,874 for the twelve-month period ended September30, 2013 for the maintenance of the Company during the previous year before the approval of the change in the statutes of the Company. Expenses for the fifteen-month period ended December 31, 2014 included an amount of $775,050 as share-based compensation based following the granting of 3,450,000 options. This amount of $775,050 representing the value of the options was determined using the Black & Scholes method. An amount of $697,760 was spent on research for mining properties and on the Guiro/Diouga property and an amount of $498,934 compared to $199,874 for the twelve-month period ended September 30, 2103 was spent on administrative expenses including an amount of $145,183 of professional fees for the preparation of circular to change status, name and activities of the company.

Loss before income taxes and net loss for fifteen- month period ended December 31, 2014

Since approval of the change of business obtained October 7, 2013, the company has limited to the minimum administrative expenditures (excluding an amount of $775,050 recorded as stock-based compensation of shares following the issuance of 3,450,000 stock options) and minimal expenditures for the search of new mining properties (MoU signed in Burkina Faso May 2, 2014 for the acquisition of Guiro / Diouga gold property, while focussing on exploration on the FCI property which resulted in a loss before income taxes and net loss for the fifteen-month period ended December 31, 2014 of$ 1,969,785 compared to a $193,685 loss for the twelve-month period ended September 30, 2103 including an amount of $145,183 of professional fees for the preparation of circular to change status, name and activities of the company.

SUMMARY OF QUARTERLY RESULTS (unaudited)

	Fifth Quarter		
Period ended:	**December 31 2014**		
	$	$	$
Sales (note 1)	-		
Final sale of inventory	-		
Cost of goods sold	-		
Cost of final inventory at net realizable value	-		
Loss on disposal of plant and equipment	-		
Circular expenses	-		
Stock-based compensation fees	20,750		
Depreciation of fixed assets	1,733		
General exploration fees and site expenses	489,699		
Travel expenses	23,657		
Management salaries	32,390		
Management fees	25,000		
Professional fees	16,916		
Registration and shareholders information	12,444		
General expenses	34,982		
Foreign exchange earning	1,536		
Interest income	2,114		
Loss before income taxes	(653,921)		
Net loss	(653,921)		
Basic and diluted loss per share	(0.015)		

	Fourth Quarter	**Fourth Quarter**	**Fourth Quarter**
Period ended:	**September 30 2014**	**September30 2013**	**September 30 2012**
	$	$	$
Sales (note 1)	-	-	771

Final sale of inventory	-	-	-
Cost of goods sold	-	-	716
Cost of final inventory at net realizable value	-	-	-
Loss on disposal of plant and equipment	-	-	19,381
Circular expenses	-	107,560	-
Stock-based compensation fees	28,900	-	-
Depreciation of fixed assets	2,374	-	-
General exploration fees	135,307	-	-
Travel expenses	13,544	-	-
Management salaries	20,572	-	-
Management fees	30,000	-	-
Professional fees	67,365	4,322	-
Registration and shareholders information	18, 288	2,830	-
General expenses	20,017	8, 214	15,322
Foreign exchange losses	519		
Interest income	2,371	1,112	376
Loss before income taxes	(334,515)	(121,814)	(34, 272)
Net loss	(334,515)	(121,814)	(34, 272)
Basic and diluted loss per share	(0.008)	(0.004)	(0.001)

	Third Quarter	**Third Quarter**	**Third Quarter**
Period ended:	**June 30, 2014**	**June 30, 2013**	**June 30, 2012**
	$	$	$
Sales (note 1)	-	-	75,130
Final sale of inventory	-	-	249,583
Cost of goods sold	-	-	70,384
Cost of final inventory at net realizable value	-	-	249,583
Circular expenses	-	30 126	-
Stock-based compensation fees	725,400	-	-
Depreciation of fixed assets	790	-	457
General exploration fees	47, 227	-	-
Travel expenses	20,909	-	-
Management fees	45,000	-	6,000
Professional fees	26,038	-	43,733
Registration and shareholders information	15,054	2,792	9,061
General expenses	8, 220	144	1,512
Interest income	-	1,654	3,130

Loss before income taxes	(888,638)	(31,408)	(52,887)
Net loss	(888,638)	(31,408)	(52,887)
Basic and diluted loss per share	(0.023)	(0.001)	(0.002)

	Second Quarter	**Second Quarter**	**Second Quarter**
Period ended:	**March 31, 2014**	**March 31, 2013**	**March 31, 2012**
	$	$	$
Sales (note 1)	-	-	353,128
Cost of goods sold	-	-	353,889
Provision for obsolete stock	-	-	133,981
Penalties for lease termination	-	-	100,000
Depreciation of fixed assets	-	-	1,372
Circular expenses	-	7 497	-
General exploration fees	25,527	-	-
Management fees	20,833	-	18,000
Professional fees	8,094	5,802	46,850
Registration and shareholders information	13,572	5,558	7,082
General expenses	2,597	1,896	31, 202
Interest income	7	1,733	2,667
Loss before income taxes	(70,616)	(19,020)	(336,581)
Net loss	(70,616)	(19,020)	(336,581)
Basic and diluted loss per share	(0.002)	(0.001)	(0.012)

	First Quarter	**First Quarter**	**First Quarter**
Period ended:	**December 31 2013**	**December 31 2012**	**December 31 2011**
	$	$	$
Sales (note 1)	-	-	285,181
Cost of goods sold	-	-	325,946
Provision for obsolete stock	-	-	62,576
Depreciation of fixed assets	-	-	1,371
General exploration fees	-	-	-
Management fees	-	-	18,000
Professional fees	6,714	14,375	9,163
Registration and shareholders	14,004	2,563	2,370
General expenses	2,724	6,195	25,756
Gain on foreign exchange	-	-	12,634

Interest income	1,347	1,789	2,710
Loss before income taxes	(22,095)	(21,344)	(144,657)
Net loss	(22,095)	(21,344)	(144,657)
Basic and diluted loss per share	(0.001)	(0.001)	(0.005)

Note 1
The company ceased all manufacturing activities in September, 2011, and distributing of bathroom vanities in may, 2012. The Company then took steps to redirect activities with approval by the shareholders on October 7,2013. Following the shareholders meeting and during the quarter ended December 31, 2013, the conditional acquisition of the mining property was completed and first exploration expenditures were incurred. Since the beginning of the fifteen-month period ended December 31, 2014 an amount of $414,773 of exploration expenditures was incurred on FCI property. The rest of the period was dedicated to the acquisition of STREMCO's GUIRO gold mining property. The transfer of the permit represented the final step of this acquisition that was authorized by the Council of Ministers of Burkina Faso on March 25, 2015.

ANALYSIS OF FINANCIAL POSITION AS OF DECEMBER 31, 2014 COMPARED TO SEPTEMBER 30, 2013

	December 31	September 30
	2014	2013
	$	$
Total current assets	895,170	494,526
Non-current assets		
Deposit in trust	600,000	-
Mining assets	-	-
Mining property - 50% of FCI property	7,928	-
Exploration fees, net of the tax credit for FCI property	254,048	-
Total fixed assets	47,950	-
Total assets	1,805,096	494,526
Total current liabilities	300,126	98,343
Total equity	1,504,970	396,183
Total liabilities and equity	1,805,096	494,526

The financial situation of the company as at December 31, 2014 has changed significantly due to the closing of the private placement approved April 29, 2014 for an amount of $1,404,095 net of commission fees to which was added an amount of $898,177 following principally by the exercise of 2,093,500 warrants issued on April 29, 2014, for a total of $2,302,272 received since the beginning of fifteen-month period. These funds will be used largely to finance the acquisition of the first gold mine of the Company (insofar as the agreement signed May 2, 2014 with Stremco SA and authorized by the TSX Venture Exchange July 22, 2014 will allow the acquisition of the Guiro/Diouga mine, which should be completed in the next few days after the Council of Ministers authorised the transfer of the permit on March 25, 2015) and have served to finance the first exploration work under the agreement with Virginia Mines Inc. on the FCI property for a total of $414,773 deduction made of a Quebec tax credit amounting to $160,725 (amount received March 17, 2015) of exploration expenses. The current assets are $895,170 to December 31, 2014 in comparison of $494,526 to September 30, 2013, which represents an increase of $400,644 while current liabilities increased to $300,126 as at December 31, 2014 compared to $98,343 at September 30, 2013, an increase of $201,783. The increase in current assets totalling $400,644 and the increase in current liabilities totalling $201,783 are primarily the result of funding received from the beginning of fifteen-month period net of cash flows from operating activities. The $600,000 deposit in trust account was realised from these liabilities for the full start-up funds to cover the acquisition of the Guiro / Diouga project in Burkina Faso.

Liquidity and financing

As at December 31, 2014, the cash equivalent was $682,073 compared to $480,170 as at September 30, 2013 an increase of $201,903, which is a direct result of the amounts received from two issues of shares and warrants subscription net of commissions paid to a broker since the beginning of the fifteen-month period who totaled $2,302,772. These are received, the Company used the amount an $1,026,071 for operating activities as at December 31, 2014,an exploration costs of $414,773 incurred, and the amount of $600,000 transferred to a deposit in trust representing the total cash amount required for the acquisition of the Guiro/Diouga gold property in Burkina Faso. The working capitals $595,044 as at December 31, 2014 in comparison to $396,183 as at September 30, 2013 an increase of $198,681. According to the management, the working capital to December 31, 2014 is not sufficient to cover current expenses, exploration cost on the FCI property for the next year and complete the acquisition of the Guiro / Diouga gold property and put it into operation. The Company is currently considering two additional sources of funding that will allows raising of close to $4,350,000, the first one by forced conversion of 4,456,718 warrants at a price of $0,305 which would result in an approximate $1,350,000 of financing and the second one by the issuance of $3,000,000 debenture.

Operating activities

For the fifteen-month period ended December 31, 2014, cash flow decreased by $1,026,071compared to a decrease of $166,134 as at September 30, 2013 which represents an additional cumulative decrease of $859,937. This cumulative decrease was primarily the result of the cumulative increase in the operating loss for the period of cash flows totalled $1,189,838 in 2014 compared to $193,586 for 2013.

Financing activities

Cash flow generated from the financing activities for the fifteen-month period ended December 31, 2014 was totalled $2,302,272 as the result of the private placement of April 29, 2014 amounting to a total of $1,500,000, and the placement of $300,000 approved at the extraordinary general meeting of shareholders, net of brokerage commissions and professional fees being raised to $142,995 which was added to the exercise of warrants for a total amount of $645,267. No funds were raised in the same periods last year.

Investment activities

For the fifteen-month period ended December 31, 2014, the cash flows used for investing activities are $1,074,298 and distributed as follows: exploration cost totalling $421,451, acquisition of property and equipment totalling $52,847 and the amount of $600,000 in a deposit in trust account representing the total cash amount required for the acquisition of the Guiro / Diouga gold property. No outflow occurred in the corresponding periods of the previous year. The funds were used for exploration cost totalled $421,451 and have been fully spent on the FCI property under the agreement with Virginia Mines Inc.

Shareholders' Equity

Shareholders' Equity which was $396,183 as at September 30, 2013 increased by $1,108,787 which is now at $1,504,970 as at December 31, 2014. This increase is the direct result of two private placements of shares (12,550,218 issued shares and 6,550,218 warrants) for a total of $1.8 million net of expenses related to the two issues which totalled $142,995, plus the exercise of 135,000 broker warrants for $6,750, plus the exercise of 2,093,500 warrants for $638,517 and by the issuance of 25,000 shares upon the conditional acquisition of FCI property with Virginia Mines Inc. which amounted to $1,250 for a total of $2,303,522 net of cumulative loss amounted to $1,969,785 for the fifteen-month period minus the value assigned to stock options which is $775,050. The total issued and outstanding common shares as at December 31, 2014 is 42,483,547 (14,803,718 more shares than on September 30, 2013). On December 31, 2014 a number of 4,456,718 warrants held by the shareholders were outstanding to purchase a stock at $0.305. On December 31, 2014, 3,450,000 options were outstanding following the issuance of May 22, 2014 (2,950,000), August 1, 2014 (250,000) and October 1, 2014 (250,000) while at September 30, 2013, no options to purchase shares were issued and outstanding under the option Plan.

Contractual obligations

Following the extraordinary and general meeting of shareholders of October 7, 2013, the agreement with Virginia Mines Inc. was approved and engages the Company to a sum of $4,000,000 in exploration expenditures on the FCI property during the next six years distributed as follows, assuming the option on the FCI property, which can be terminated at any time, is exercised:

Before the 1st anniversary	$350,000 (amount paid in December, 2013)
Before August 31, 2015	$500,000 ($64,773 actually paid to December 31, 2014)
Before August 31, 2016	$600,000
Before August 31, 2017	$700,000

Before August 31, 2018	$900,000
Before August 31, 2019	$950,000

Related Party Transactions

During this quarter and the period, the Company entered into transactions with its directors:

	Quarter	Cumulative	Quarter	Cumulative
	Dec. 31, 2014	Dec. 31, 2014	Sept. 30, 2013	Sept. 30, 2013
Management fees	$25,000	$95 833	-	-
Accounting fees	$13 323	$37 973	$3,000	$12,000
Legal fees	-	$8,508	$2,373	$2,373
Issuance fees	-	$17,040	-	-
Professional fees- circular	-	-	$22,823	$48,448
General expenses	$48 796	$48 796	-	-

Management considers that these transactions took place in the normal course of business and that they were made on the same conditions as common arm's length transactions with third parties.

Subsequent event

Acquisition of Guiro/Diouga mining property

Under an agreement signed May 2, 2014, the Company has undertaken a process to acquire all the assets of Stremco SA, including a 100% interest in the Guiro/Diouga gold property located in Burkina Faso in consideration of $600,000 in cash (transferred in deposit in trust), assuming liabilities for a maximum of 1, 220,012,900 CFA francs (about $2.8 million) and the issuance of 3,000,000 common shares of the Company. The vendor will retain a 2% gross royalty on gold sales made beyond the amount of $1,300 per ounce to a maximum amount of $2,000,000. The TSX Venture Exchange has approved the transaction on July 22, 2014. The transaction was completed within the days after March 25, 2015 as the transfer of the permit was authorized on that date by the Burkina Faso Council of Ministers, which was the very last condition to be met in the acquisition process.

Carrying value of mining properties

At the end of each quarter, exploration work is reviewed to evaluate the potential of each mining property. Following this analysis, write-offs are recorded when required. As of December 31, 2014 no write-off is required.

Critical accounting policies and estimates

Please refer to the appropriate section of the consolidated financial statements for the period ended December 31, 2014 and September 30, 2013. There have been no significant changes in the Company accounting policies and estimates since September 30, 2013, except accounting policies and estimates in relation with changes in activities involving acquisition and exploration of mining properties.

Disclosure of outstanding share data

The Company is authorized to issue an unlimited number of common shares, without nominal value. As at December 31, 2014, a total of 42,483,547 shares were issued and outstanding except for 6,822,500 shares held in escrow, to be release every six months until December 2016. Also, 4,456,718 warrants were issued to the shareholders at a price of $0.305, expiring on April 29, 2016. The Company can force the conversion if the share trade for more than 15 consecutive business days at a price of $0.40 or more. A total of 988,500 broker warrants were outstanding (465,000 at the price of $0.05 each, expiring on December 13, 2015 and 525,500 at a price of $0.305 each, expiring on April 29, 2016). The Company has adopted a share based compensation plan. The maximum number of stock options issuable under the plan is 2,763,150. This plan has been revised following a meeting of directors held on May 22, 2014 to increase the maximum number of stock options of shares issuable at 5,000,000. However this amendment to the plan must be approved by the TSX Venture Exchange and by shareholders on the next annual meeting of shareholders. As at December 31, 2014, 2,950,000 stock options were outstanding at a price exercise of $0.475 each, 250,000 stock options were outstanding at a price of $0.52 and 250,000 stock options were outstanding at a price of $0.47 each but only 2,763,150 stock options can be exercised until receipt of all approvals. As at September 30, 2013, no stock options were outstanding.

BUSINESS RISKS

Risks and uncertainties

The following presents certain important risks, according to the management, that could affect the operations of the company. Other risks that are not described below may exist or appear in the future.

Financial risks

Additional funds may be required at any time to finance exploration projects including GUIRO/DIOUGA gold property. The funds are trough issuance provided by emission of capital, loan or other debt instruments. There are no guaranties that additional funds will be obtained through financings.

Also, if such financing are completed with success, nothing guaranty that there will obtain with favorable modalities for the company or that the funds will be enough to achieve the stated goals. Such situations could have repercussions on the activities and the profitability of the company.

Even if the company has obtained title of the property that it has optioned from Virginia and GUIRO/DIOUGA gold property using reasonable procedures to ensure the validity of the titles, no guaranty exists that third parties will not contest the titles.

Government regulation risk

The company's operations must comply with the multiple regulations and obligations related to the exploration, environment, protection and permitting of mining operations. Actually, The Company is compliant with regulations but any changes to the regulations could have a very significant negative impact on the company.

FUTURE PROSPECTS

The future prospects are closely related to:

- The ability of the company to carry out regular fundraising by way of private placement or flow-through financing to continue research of new mining properties and continue to make targeted exploration programs;
- The company's strategy focus on discovering economic viable deposits whose profits will assure the long-term sustainability of the company;
- Development of the Guiro/Diouga mine acquired in Burkina Faso (acquisition to be completed in the following days after the authorization of the permit transfer by the Council of Ministers, on March 25, 2015.
- The acquisition and development of new mining properties, particularly in Burkina Faso.

The growth prospects described above are forward-looking information, which by its nature includes known and unknown uncertainties and risks.

ADDITIONAL INFORMATION

Additional information on Komet is available on the website of the electronic data, analysis and research system known as SEDAR, at www.sedar.com and website of Komet at http://kometgold.com

(s) André Gagné
President and CEO, director

(s) Robert Wares
Director