Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Comet Ridge Ltd

ABN	Quarter ended ("current quarter")
47 106 092 577	31 December 2007

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter US$'000	Year to date 6 months US$'000
1.1	Receipts from product sales and related debtors	2	6
1.2	Payments for (a)exploration and evaluation	(1,061)	(1,802)
	(b) development	(1)	(5)
	(c) production	(24)	(53)
	(d) administration	(536)	(887)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	28	90
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Net cash inflows (outflows) attributable to joint venture partners on operated projects	41	(42)
	Net Operating Cash Flows	**(1,551)**	**(2,693)**
	Cash flows related to investing activities		
1.8	Payment for purchases of:(a)prospects	(337)	(591)
	(b)equity investments	-	-
	(c) other fixed assets	(14)	(43)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (sale of 1.5% Tipton West Royalty)	-	2,550
	Net investing cash flows	**(351)**	**1,916**
1.13	Total operating and investing cash flows (carried forward)	(1,902)	(777)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,902)	(777)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	**(1,902)**	**(777)**
1.20	Cash at beginning of quarter/year	3,803	2,629
1.21	Exchange rate adjustments to item 1.20	17	66
1.22	**Cash at end of quarter**	**1,918**	**1,918**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter US$'000
1.2	Aggregate amount of payments to the parties included in item 1.2	90
1.2	Aggregate amount of loans to the parties included in item 1.10	-

1.2 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available US$'000	Amount used US$'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		US$'000
4.1	Exploration and evaluation	1,000
4.2	Development	-
	Total	**1,000**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Curent quarter US$'000	Previous quarter US$'000
5.1	Cash on hand and at bank	1,918	3,803
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	1,918	3,803

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Chehalis, Washington, USA	Expiration of Cedar Creek lease option 100,000 acres	40.00%	40.00%
		Chehalis, Washington, USA	Decrease of 216 acres	40.00%	40.00%

6.2	Interests in mining tenements acquired or increased	Florence, Colorado, USA	Increase of 1,243 acres	39.00%	39.00%
		Tow Creek, Colorado, USA	Increase of 34 acres	37.50%	37.50%
		Grays Harbor, Washington, USA	Increase of 24,427 acres	100.00%	100.00%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	104,874,950	104,874,950		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

7.7	**Options** *(description and conversion factor)*	500,000 1,500,000 450,000 75,000 1,000,000 955,000 3,500,000 1,900,000 30,000		*Exercise price* AU$ 20 cents AU$ 20 cents AU$ 40 cents AU$ 45 cents AU$ 45 cents AU$ 45 cents AU$ 45 cents AU$ 45 cents AU$ 45 cents	*Expiry date* 18 August 2008 31 December 2008 11 May 2009 26 June 2009 31 July 2009 10 November 2009 31 December 2009 31 July 2011 4 September 2011
7.8	Issued during quarter	65,000 300,000		AU$ 45 cents AU$ 45 cents	2 December 2011 6 December 2011
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 29 January 2008
(Managing Director)

Print name: Andrew Lydyard

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==