COMET EXPLORATION LIMITED

A.B.N. 19 147 948 883

FINANCIAL REPORT

FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2018

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FINANCIAL REPORT

FOR THE 18 MONTH PERIOD 31 DECEMBER 2018

COMET EXPLORATION LIMITED

ABN 19 147 948 883

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COMET EXPLORATION LIMITED
ABN 19 147 948 883

DIRECTOR'S REPORT

FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2018

Your directors hereby present their report on the company and its controlled entity for the 18 month period ended 31 December 2018

Directors

The details of the directors in office at any time during or since the end of the period are:

Name	Details
Patrick Anthony Treasure	Appointed December 2010
Arno De Villiers De Vos	Appointed November 2012
Andrew Bryce	Deceased and removed from office October 2018
Ralph Nicholas Stagg	Appointed March 2014

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Change of Financial Year

During the period, the year end of the company was changed to 31 December from 30 June. This report therefore provides audited figures for the 18 month period to 31 December 2018, however comparative figures report twelve month period to 30 June 2018.

Review of Operations

The loss of the company for the period after providing for income tax amounted to $406,998 (30 June 2017:$338,120 profit).

The company is at the exploration and evaluation stage of mining identifiable areas of interest (projects) therefore the financial results summarise costs and the capitalisation of costs. Costs are capitalised when the company expects these to be recouped through the successful development of the projects or where activities in the area have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Change in the State of Affairs

In December 2017 the Company entered into a binding letter of intent (LOI) to sell its 50% share in the Farellon/Maria Luisa joint venture to its partner, Altiplano Minerals Ltd. (APN or Altiplano). The consideration for the transaction was the issue of 7,500,000 shares in APN to the Company, plus a 10% Net Profit Interest in future operation of the Farellon and Maria Luisa projects, capped at C$1.5 million.

Following advice from Chilean accountants and lawyers it was resolved that the most effective manner to complete the transaction would be through a demerger of the Company's Chilean subsidiary (Soc. Contractual Minera Comet Exploration Chile) into two entities – the new entity (SCM Constelación) owning 100% of the exploration assets built up over previous years; the other owning the agreements and assets related to the joint venture with Altiplano and the Farellon and Maria Luisa projects. In this manner, the transfer could be completed in a timely fashion without requiring replacement of permits for the Farellon mine and renegotiation of operating agreements with the tenement owners.

In order to complete the transaction in a tax effective manner and for the parent Company (Comet Exploration Limited) to be the recipient of the consideration, the capital of SCM Comet Exploration Chile was expanded, through the issue of new shares in the subsidiary (SCM Comet Exploration Chile) to the total value of the

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DIRECTOR'S REPORT

FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2018

outstanding working capital loans provided by the Company since its incorporation. !00% of the new shares were issued to Comet Exploration Limited.

The demerger was carried out through the following steps:

a) A formal share sale agreement confirming the terms of the December 2017 letter of intent, was executed between the Company and Altiplano on the 8th May 2018.

b) A demerger balance sheet was independently prepared, detailing the assets proposing to be held by the two entities following completion of the demerger, for the purposes of obtaining necessary regulatory approval from the Chilean tax authorities (Servicio de Impuestos Internos (SII)).

c) A formal demerger deed was prepared by Chilean lawyers representing Comet and Altiplano, for the purpose of convening a shareholder meeting of the Company's Chilean subsidiary, as required under Chilean legislation for a corporate demerger to be enacted. The deed was approved and the minutes of the meeting were signed and attested to by a Notary Public on May 30 2018.

d) The accounts of Comet Chile, including the demerger Balance Sheet, the proposed division of assets and minutes of the demerger meeting were submitted to the SII for audit and approval on 18 June 2018. Formal approval was received from the SII, and the new entity was registered 23 August 2018.

Following approval of the accounts and demerger, Comet Exploration Limited transferred all of its shares in Comet Chile to Altiplano and was issued in return 7,500,000 fully paid ordinary shares in Altiplano Metals Ltd. (TSXV:APN) and the right to receive 10% of net profits from operations on the Farellon and Maria Luisa projects, up to a limit of C$1.5 million. Since completion of the transaction, Altiplano has continued development of the Farellon project and has reported a cash operating surplus for the period up t the end of March 2019. The Company is therefore confident that, on reaching planned production level from the mine (5,000 tonnes per month of ore), payment of the net profit interest will commence.

As a result of this transaction, the Company continues to own, through its new subsidiary in Chile (SCM Constelación), all of the exploration tenements, exploitation tenements and project agreements outside of the Farellon and Maria Luisa projects that are no longer held. The values of the tenements that remain in SCM Constelación are held at Director Valuation at 31 December 2018. It is the board's intention to obtain an independent valuation of its tenement portfolio prior to the end of the current financial reporting period.

Events Subsequent to the End of the Reporting Period

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future years except those disclosed within the notes to the financial statements.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future periods have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

COMET EXPLORATION LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2018

Dividends

No dividends have been paid or declared since the start the period.

Options

No Options over issued shares or interests in the company or a controlled entity were granted during the period. The exercise date of all previously issued options was extended by a period of twelve months in December 2017.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a part to any such proceedings during the period.

This directors' report is signed in accordance with a resolution of the Board of Directors.

.....

Director
Dated this 29th day of July 2019

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DICKFOS DUNN ADAM
AUDIT AND ASSURANCE

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of Comet Exploration Limited for the period ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

DICKFOS DUNN ADAM
Audit & Assurance

20.7.2019
Dated
SOUTHPORT

T L Adam

COMET EXPLORATION LIMITED
ABN 19 147 948 883

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2018

	Note	Consolidated Group		Parent Entity	
		31 Dec 2018 18 Months	2017	31 Dec 2018 18 Months	2017
		$	$	$	$
Revenue	2	668,389	1,583,386	668,389	2,041
Depreciation expense		(474)	(11,690)	-	-
Impairment of exploration costs		-	(560,635)	-	-
Impairment of listed shares		(407,432)	-	(407,432)	-
Accountancy		(30,715)	(42,675)	(7,427)	(7,595)
Administration Charges		-	(7,377)	-	(1,289)
Audit fee		(8,800)	-	(8,800)	-
Bank Charges		(1,216)	(10,520)	(498)	(388)
Computer Expenses		(3,402)	-	(3,402)	
Consultants Fees		(422,033)	(215,921)	(401,630)	(180,000)
Entertainment		-	(22)	-	(22)
Filing Fees		(658)	(1,176)	(658)	(1,176)
Insurances and Patents		-	(65,336)	-	-
Interest Paid		(107,605)	(58,528)	(107,389)	(57,392)
Legal Costs		(51,748)	(18,349)	(11,773)	(1,249)
Printing, Postage & Stationery		(7,492)	(2,229)	(6,505)	(545)
Rents		-	(10,908)	-	-
Subscriptions		(443)	(910)	(443)	(910)
Telephone & Fax		(4,559)	(2,901)	(4,559)	(2,613)
Travelling Expenses		(20,644)	(59,034)	(20,644)	(56,736)
Website		(672)	(1,679)	(672)	(1,679)
Sundry expenses		(1,354)	-	(1,354)	-
Profit (Loss) before income tax		(400,858)	513,496	(314,797)	(309,553)
Income tax expense	4	-	-	-	-
Profit (Loss) for the year		(400,858)	513,496	(314,797)	(309,553)
Other comprehensive income					
Foreign Exchange Gain/(Loss)		(6,140)	(175,376)	35,610	-
Total comprehensive (deficit) for the year		(406,998)	338,120	(279,187)	(309,553)
Total comprehensive (deficit) attributable to members of the company		**(406,998)**	**338,120**	**(279,187)**	**(309,553)**

The accompanying Notes form part of these Financial Statements.

COMET EXPLORATION LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	Consolidated Group		Parent Company	
		Dec 2018	30 June 2017	Dec 2018	30 June 2017
		$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	15,711	417,102	10,071	177,117
Trade and other receivables	6	31,418	178,596	10,191	6,813
Other assets	7	13,618	64,845	-	-
TOTAL CURRENT ASSETS		60,747	660,543	20,262	183,930
NON-CURRENT ASSETS					
Trade and other receivables	6	-	-	151,551	3,244,002
Financial Assets	8	1,122,428	10	3,754,173	10
Property, plant and equipment	10	2,714,249	2,961,430	40,000	40,000
Intangible Asset	11	-	-	-	-
TOTAL NON-CURRENT ASSETS		3,836,677	2,961,440	3,945,724	3,284,012
TOTAL ASSETS		3,897,424	3,621,983	3,965,986	3,467,942
CURRENT LIABILITIES					
Trade and other payables	12	1,354,424	1,129,527	1,328,378	1,008,689
TOTAL CURRENT LIABILITIES		1,354,424	1,129,527	1,328,378	1,008,689
TOTAL LIABILITIES		1,354,424	1,129,527	1,328,378	1,008,689
NET ASSETS		2,543,000	2,492,456	2,637,608	2,459,253
EQUITY					
Issued capital	13	4,428,314	3,970,772	4,428,314	3,970,772
Capital Raising Costs		(80,431)	(80,431)	(80,431)	(80,431)
Accumulated losses		(1,804,883)	(1,397,885)	(1,712,682)	(1,431,088)
TOTAL EQUITY		2,543,000	2,492,456	2,637,608	2,459,253

The accompanying Notes form part of these Financial Statements.

COMET EXPLORATION LIMITED
ABN 19 147 948 883

STATEMENT OF CHANGES IN EQUITY
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2018

Consolidated Group

	Issued Capital Ordinary $	Capital Raising Costs $	Accumulated Losses $	Total $
Balance at 1 July 2016	**3,942,438**	**(80,431)**	**(1,736,005)**	**2,126,002**
Comprehensive income		-		
(Loss) attributable to members of the company	-	-	338,120	338,120
Transactions with owners, recorded directly in equity				
Shares issued during the year	28,334	-	-	28,334
Capital Raising costs	-	-	-	-
Total transactions with owners	**28,334**	-	-	**28,334**
Balance at 30 June 2017	**3,970,772**	**(80,431)**	**(1,397,885)**	**2,492,456**
Balance at 1 July 2018	**3,970,772**	**(80,431)**	**(1,397,885)**	**2,492,456**
Comprehensive income		-		
Profit (Loss) attributable to members of the company	-	-	(406,998)	(406,998)
Transactions with owners, recorded directly in equity				
Shares issued during the period	314,242	-	-	314,242
Share based payments	143,300	-	-	143,300
Capital Raising costs	-	-	-	-
Total transactions with owners	**457,542**	-	-	**427,542**
Balance at 31 December 2018	**4,428,314**	**(80,431)**	**(1,804,883)**	**2,543,000**

The accompanying Notes form part of these Financial Statements.

COMET EXPLORATION LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2018

	Issued Capital Ordinary $	Capital Raising Costs $	Accumulated Losses $	Total $
Parent Entity				
Balance at 1 July 2016	**3,942,438**	**(80,431)**	**(1,121,535)**	**2,740,472**
Comprehensive income				
(Loss) attributable to members of the company	-	-	(309,553)	(309,553)
Transactions with owners, recorded directly in equity				
Shares issued during the year	28,334	-	-	28,334
Capital raising costs	-	-	-	-
Total transactions with owners	**28,334**	-	-	**28,334**
Balance at 30 June 2017	**3,970,772**	(80,431)	**(1,431,088)**	**2,459,253**
Balance at 1 July 2017	**3,970,772**	**(80,431)**	**(1,431,088)**	**2,461,507**
Comprehensive income				
Profit (Loss) attributable to members of the company	-	-	(279,187)	(281,594)
Transactions with owners, recorded directly in equity				
Shares issued during the period	314,242	-	-	314,242
Share based payments	143,300			143,000
Capital raising costs	-	-	-	-
Total transactions with owners	**457,542**	-	-	**457,542**
Revaluation of assets at cost				
Balance at 31 December 2018	**4,428,314**	**(80,431)**	**(1,710,275)**	**2,637,608**

The accompanying Notes form part of these Financial Statements.

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STATEMENT OF CASH FLOWS
FOR THE 18 MONTH PERIOD ENDED 31 DECEMBER 2018

	Note	Consolidated Group 2018	Consolidated Group 30 June 2017	Parent Entity 2018	Parent Entity 30 June 2017
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers/JV Partner		-	283,573		-
Payments to suppliers and employees		(717,160)	(825,768)	(482,305)	(253,241)
Interest received		1,017	2,041	1,017	-
Net cash provided by/(used in) operating activities	17	(716,143)	(540,154)	(481,288)	(253,241)
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		-	(997,401)	-	-
Net cash provided by/(used in) investing activities		-	(1,537,555)	-	-
CASH FLOW FROM FINANCING ACTIVITIES					
Intercompany loan/Convertible Note		-	530,000	-	370,925
Joint Venture Contribution Received		-	1,297,772	-	-
Proceeds from issue of shares		314,212	28,334	314,242	28,334
Net cash provided by financing activities		314,212	1,856,106	314,242	399,259
Net increase/(decrease) in cash held		**(401,931)**	**318,551**	**(167,046)**	**146,018**
Cash and cash equivalents at beginning of period		417,102	98,551	177,117	31,099
Cash and cash equivalents at end of period	5	15,711	417,102	10,071	177,117

The accompanying Notes form part of these Financial Statements.

COMET EXPLORATION LIMITED
ABN 19 147 948 883

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31 DECEMBER 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Comet Exploration Limited is a company limited by shares, incorporated and domiciled in Australia. The company wholly owns the shares in SCM Comet Constelacion therefore these financial statements and notes represent those of Comet Exploration Limited (parent) and the consolidated accounts of the company and Comet Constelacion.
In May 2018, Comet Exploration realised their remaining share capital within Comet Chile therefore at balance sheet date the company has no investment in this subsidiary.

The financial statements were authorised for issue by the directors of the company on the date of signing of the Director's report.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) **Income Tax**

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or subsequently enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expenses but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Income Tax *continued*

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associations, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at fair value, deemed cost or cost less, where applicable, any accumulated depreciation and impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant & Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amounts of plant and equipment are reviewed annually by directors to ensure they are not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets is depreciated on straight line basis over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciable rates used for each class of depreciable assets are:

Plant and Equipment:	Straight Line	10% - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sells the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as; (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest rate method*; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the profit or loss.

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

Financial assets are classified a 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets if managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31 DECEMBER 2018

(c) **Financial Instruments *continued***

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial asset has been impaired. Impairment losses are recognised in the income statement. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(d) **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year, together with benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

(e) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

(f) **Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at Statement of Financial Position date.

(g) **Revenue and Other Income**

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(h) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(i) **Consolidation**

The subsidiary company operates in Chile, therefore financial data reported in Chilean Pesos has been converted to Australian dollars at reporting date. Exchange rates have been used at reporting period with any adjustment expensed within the income statement as exchange rate gains or losses.

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31 DECEMBER 2018

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current period. As highlighted in the Directors report the company changed financial reporting period during the financial year therefore comparative data represents 12 months to 30 June 2017 however current data represents 18 months to 31 December 2018.

(k) Going Concern Basis

The financial report has been prepared on the basis that the entity will continue as a going concern, and will realise its working capital assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The ongoing viability of the company is dependent upon the continued support of its investors and outcome of the mining explorations.

(l) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. There following are significant accounting estimates and judgements that require further disclosure.

Key judgments

Valuation of Tenements - Mining Tenements are held at Directors Valuation and directors have assessed no impairment is required to the valuation.

Exploration Phase of Tenements – Directors have assessed that all tenements owned by the subsidiary company continue to be at exploration phase with the likelihood of future benefits. As a result no impairment or write off of costs to the statement of profit or loss has been reported during the financial year.

(m) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(n) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) **Exploration and Evaluation Costs**

Exploration and evaluation costs are incurred to discover mineral resources. Exploration and evaluation of mineral resources starts when the legal rights to explore have been obtained. Expenditure incurred before legal right is obtained by the company are expensed, except when the costs incurred relate to the payment for an option. In this case expenditure is classified as a tangible asset.

The company recognises all exploration and evaluation costs as a tangible asset, recognised at historical cost, based on the Directors assessment of probability that economic benefits will flow to the company as a result of the expenditure. This is evaluated through the expectation that costs will be recouped through the successful development of the project, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. For costs incurred during a period that are not deemed to 'add value' to the project, these costs are automatically expensed to the statement of profit or loss and other comprehensive income.

At reporting date exploration and evaluation expenditure classed as tangible assets (mining tenements and projects) have been reclassified at directors valuation. Comparative data is recognised at cost.

Impairment of Evaluation and Exploration Assets

The company assesses exploration and evaluation assets for impairment when there are indicators that impairment exists. Indicators of impairment include, but are not limited to:

(i) Rights to explore in an area have expired or will expire in the near future without renewal;
(ii) No further exploration or evaluation is planned or budgeted;
(iii) A decision to discontinue exploration and evaluation in an area because of the absence of commercial reserves; and
(iv) Sufficient data exists to indicate the book value will not be fully recovered from future development and production.

Exploration and evaluation assets are tested for impairment once indicators have been identified. At reporting date no such impairment indicators have been identified by Directors.

(p) **Investments in Joint Ventures**

Investments in joint ventures recognised using the equity method of accounting as required by AASB 128. The carrying amount of the investment is increased or decreased to recognise the group's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the group.

(q) **New Accounting Standards for Application in Future Periods**

There are no new Australian Accounting Standards that have been issued but are not yet mandatorily applicable that directors will determine will materially effect upon application of their recognition and measurement requirements.

COMET EXPLORATION LIMITED
ABN 19 147 948 883

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31 DECEMBER 2018

	Consolidated Group		Parent Entity	
	2018	30 June 2017	2018	30 June 2017
	$	$	$	$
Note 2: Revenue				
– Interest	1,017	2,041	1,017	2,041
- Joint Venture Recovery	54,633	269,914	-	-
- Joint Venture Distribution	262,682	1,297,772	-	-
- Other	-	13,659	-	-
- Profit on Sale of Subsidiary (SCM Comet Exploration Chile)	350,056	-	667,372	-
Total Revenue	668,389	1,583,386	668,389	2,041

Calculation of Profit on Sale of Subsidiary

	2018
	$
Sale Proceeds	
Tenements Retained and moved to SCM Constelación	2,631,745
7,500,000 Shares in Altiplano Minerals Ltd	1,496,874
Total Sale Proceeds Brought to account	**4,128,619**
Cost of Shares (Subsidiary Sold)	
Loan Forgiven/Converted to Shares (Stage 1 Demerger) – See Note 19	(3,778,563)
Total Cost Base of Subsidiary Sold	**3,461,247**
Net Profit on Sale of Subsidiary	**350,056**

Refer to Note 15 for disclosure of right to future income (Contingent Asset)

Note 3: Profit Before Income Tax				
(a) Expenses				
Deprecation of property, plant and equipment	474	11,690	-	-
(b) Remuneration of auditor for audit of financial report	8,800	4,300	8,800	4,300

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NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31 DECEMBER 2018

Note 4: Income Tax Expense

(a) The prima facie tax on profit (loss) from ordinary activities before income tax is reconciled to the income tax, as follows:

	Consolidated Group		Parent Company	
	2018 $	30 June 2017 $	2018 $	30 June 2017 $
Prima facie tax payable (tax benefit) on profit (loss) from ordinary activities before income tax at 27.5% (2017: 27.5%)	148,555	92,983	148,555	85,127
Add tax effect of:				
– Losses carried forward	(148,555)	(92,983)	(148,555)	(85,127)
Income tax expense attributable to profit (loss) from ordinary activities	-	-	-	-

	Consolidated Group		Parent Company	
	2018 $	30 June 2017 $	2018 $	30 June 2017 $
Note 5: Cash and Cash Equivalents				
Cash at Bank	15,711	417,102	10,071	177,117
Total Cash & Cash Equivalents	15,711	417,102	10,071	177,117

Cash and cash equivalents at the end of the period as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows:

Cash & Cash Equivalents	15,711	417,102	10,071	177,117

Note 6: Trade & Other Receivables

Current				
GST & Tax refundable	10,191	163,842	10,191	6,813
Other debtors	21,227	14,754	-	-
Total Current Trade & Other Receivables	31,418	178,596	10,191	6,813
Non-Current				
Loans to subsidiary companies (unsecured)	-	-	151,551	3,244,002
Total Non-Current Trade & Other Receivables	-	-	151,551	3,244,002

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NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31 DECEMBER 2018

Note 7: Other Assets

	Consolidated Group		Parent Company	
	2018 $	30 June 2017 $	2018 $	30 June 2017 $
Prepayments & deposits	13,618	64,845	-	-
	13,618	64,845	-	-

Note 8: Financial Assets

Non Current				
Shares in Comet Chile - cost	-	10	-	10
Shares in Altiplano Minerals Ltd – fair value	1,122,428	-	1,122,428	-
Shares in subsidiary – Constelacion - cost	-		2,631,755	-
Total Financial Assets	1,122,428	10	3,754,173	10

Note 9: Controlled Entities Consolidated

	Country of incorporation	Percentage Owned	
		2018	30 June 2017
Subsidiary of Comet Exploration Limited:			
SCM Comet Exploration Chile	Chile	-	100%
SCM Comet Constelación	Chile	100%	-

	Consolidated Group		Parent Company	
	2018 $	30 June 2017 $	2018 $	30 June 2017 $
Note 10: Property, Plant & Equipment				
Plant & Equipment at cost	-	205,517	-	-
Accumulated Depreciation	-	(53,134)	-	-
Total Plant & Equipment	-	152,383	-	-
Mining Tenements & Projects – at cost	40,000	2,809,046	40,000	40,000
Mining Tenements & Projects – at director valuation	2,674,249	-	-	-
Total Property, Plant & Equipment	2,714,249	2,961,429	40,000	40,000
Note 11: Intangible Assets				
Formation costs – at cost	1,652	1652	1652	1,652
Accumulated amortisation	(1,652)	(1,652)	(1,652)	(1,652)
Total formation costs	-	-	-	-

COMET EXPLORATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31 DECEMBER 2018

Note 12: Trade & Other Payables

	Consolidated Group		Parent Company	
	2018	30 June 2017	2018	30 June 2017
	$	$	$	$
Current				
Indemnity provision	-	16,107	-	-
Accrued interest	172,128	-	172,128	-
Other creditors and accruals	133,296	174,420	133,296	69,689
Loan – related party loan	440,000	330,000	440,000	330,000
Convertible Notes	609,000	609,000	609,000	609,000
Total trade & other payables	1,354,424	1,129,527	1,354,424	1,008,689

The Convertible notes are unsecured and have a 3 year term, with the first maturity date being 3 March 2019. Interest is calculated at RBA Cash rate plus 5%, payable 6 monthly in arrears. The notes convert to shares at 10 cents per share or at 80% of the last issue price, whichever is the greater.

The unsecured related party loan accrues interest at RBA Cash rate plus 5%, payable 6 monthly in arrears, and has no set repayment date.

Note 13: Issued Capital

68,482,445 (2017: 64,047,445) fully paid ordinary shares	4,561,518	3,970,772	4,561,518	3,970,772

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 14: Tax

Nil income tax is payable by the company for the financial reporting period (2017: Nil).

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought to account:

Tax losses: operating in nature is $1,961,912 (2017: $1,421,710).
The benefits of the above unused tax losses will only be realised if the conditions for deductibility set out in Note 1(a) occur. These amounts have no expiry date.

Note 15: Contingent Liabilities and Contingent Assets

Comet Exploration Limited have a contingent asset in the form of right to receive 10% of net profits from Altiplano Minerals on operations on the Farellon and Maria Luisa projects, up to a limit of C$1.5 million.

Note 16: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Related party transactions are summarised below:

Related Company
The company paid Karton Investments Pty Ltd consultancy fees during the period. Total payments of incurred expenditure of $270,000 (2017: $180,000) were expensed during the period. Tony Treasure is a director of this company.

COMET EXPLORATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31 DECEMBER 2018

Note 16: Related Party Transactions (Continued)

Shares and Options
Each of the three directors owns, directly and indirectly, the following shares and options within the company.

	Shares	Options
Tony Treasure	4,240,000	2,000,000
Arno de Vos	920,000	-
Andrew Bryce	120,000	66,667
Ralph Stagg	9,770,000	7,500,000

Note 17: Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax

	Consolidated Entity		Parent Entity	
	31 Dec 2018	30 June 2017	31 Dec 2018	30 June 2017
	$	$	$	$
Profit/(Loss) after tax	(406,998)	(399,017)	(279,187)	(309,553)
Non-cash flows in profit				
- Depreciation	474	11,690	-	-
- Impairment of financial assets	407,432	-	407,432	-
- Share based payments	143,300	-	143,300	-
- Loss on share conversion	(161,235)	-	(409,746)	-
Changes in assets and liabilities				
- Decrease/(increase) in financial assets	(1,122,418)		(3,754,163)	
- Decrease/(increase) in trade receivables	198,405	(228,594)	3,089,073	(1,080)
- Decrease/(increase) in prepayments	-	(45,538)	-	-
- (Decrease)/increase in payables and accruals	224,897	121,305	322,003	57,392
Net cash provided by/(used in) operating activities	(716,143)	(540,154)	(481,288)	(253,241)

Note 18: Events After the Reporting Period

The directors are aware of these post balance sheet events:
- Share valuation of Altiplano Minerals Ltd has reduced at the date of signing the financial statements the fair value of shares is $973,917.

Note 19: Summary of Changes to Subsidiary Companies and Parent Company

COMET EXPLORATION LIMITED
ABN 19 147 948 883

NOTES TO THE FINANCIAL STATEMENTS FOR PERIOD ENDED 31 DECEMBER 2018

18th June 2018 shareholders agreed to increase the capital of Comet Chile from CLP 1,000,000 to CLP 2,800,236,931 through issue of further 1,000 shares valued at CLP 2,799,237. Comet Exploration Limited purchased the 1,000 shares for consideration of CLP 2,799,236,931($5,565,083), by forgiving the loan to Comet Chile.

In May 2018 Comet Chile was sold to Altiplano Minerals (Canadian listed company) for consideration of 7,500,000 shares in Altiplano Minerals at a with a value at the date of transaction of AUD$1,529,860. and the right to receive 10% of net profits from operations on the Farellon and Maria Luisa projects, up to a limit of C$1.5 million.

The remainder of the exploration projects to the value of $2,754,390 were transferred to the newly established subsidiary company SCM Comet Constelacion for which Comet Exploration Limited owns 100% of share capital.

In May 2018 Comet Chile and Comet Exploration reported an inter company loan to the balance of $5,693,876. Comet Exploration directors forgave the loan on sale of Comet Chile in leui of settlement of shares in SCM Comet Constelacion to a cost value of $2,631,755.

Note 20: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and intercompany loans.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group		Parent Entity	
	Note	2018	2017	2018	2017
		$	$	$	$
Financial Assets					
Cash and Cash equivalents	5	15,711	417,102	177,117	177,117
Other Receivables	6	31,418	178,596	6,813	6,813
Non-current receivables	6	-	-	3,244,002	4,811,688
Total Financial Assets		47,129	595,698	3,427,932	4,995,618
Financial Liabilities					
Financial liabilities at amortised cost					
Trade and other payables	12	1,354,424	1,129,527	1,328,378	1,008,689
Total Financial Liabilities		1,354,424	1,129,527	1,328,378	1,008,689

Note 21: Company details:

The registered office of the company is:

Etairos Accounting
Ground Floor
112 Siganto Drive
Helensvale QLD 4212

The principal place of business of the company is:

23 Riversdale Road
Oxenford QLD 4210

COMET EXPLORATION LIMITED
ABN 19 147 948 883

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Comet Exploration Limited, the directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 21 are in accordance with the *Corporations Act 2001* and:

   (a) comply with Australian Accounting Standards; and

   (b) give a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the 18 month period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed: .....
Director

Dated this 29th day of July 2019

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Email (name)@dickfosdunn.com.au
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DICKFOS DUNN ADAM
AUDIT AND ASSURANCE

COMET EXPLORATION LIMITED
ABN 19 147 948 883
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF COMET EXPLORATION LIMITED

Qualified Auditor's Opinion
We have audited the financial report of Comet Exploration Limited (the company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion, except for the matters described in the basis for audit qualifications, the accompanying financial report of the company is in accordance with the *Corporations Act 2001,* including:

(i) Giving a true and fair view of the company's financial position as at 31 December 2018 and of its financial performance for the period then ended; and

(ii) Complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001.*

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis for Audit Qualifications
Qualification – Valuation of Mining Tenements
In reporting periods prior to 31 December 2018, tenements were capitalised costs expected to be recouped through the successful development of the projects in accordance with AASB 6 Exploration for and Evaluation of Mineral Resource. As disclosed in Note l, the current year mining tenements of $2,714,249 are based on director valuation. We therefore provide no opinion over the fair valuation of $2,714,249 mining tenements in the statement of financial position and adherence to the valuation in line with AASB 6.

Emphasis of Matter – Going Concern
As disclosed in Note k, the financial report has been prepared on the basis that the company will continue as a going concern, and will realise its working capital assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. However the ongoing viability of the company is dependent upon the continued support of its investors and outcome of the mining explorations. If the mining explorations are fruitless regarding the existence of economically recoverable reserves there is a risk that the company will not be able to continue as a going concern or settle debts when due.

COMET EXPLORATION LIMITED
ABN 19 147 948 883

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF COMET EXPLORATION LIMITED

Emphasis of Matter – Valuation of Financial Assets and Non Current Assets
As highlighted in Note 8 (Financial Assets) the company has an investment in shares in a Canadian Listed company; and owns shares in the Chilean subsidiary company, SCM Constelación, with a cost valuation of $2,631,755. The financial statements report an impairment loss of $407,432 within the financial assets for current year, with respect to the Canadian shares, and the subsequent event note highlights that further reduction in the fair value of this investment has occurred since the end of the reporting period. As per Note (l) (Key judgements), the Directors have assessed that the mining tenements remain at the exploration stage with the possibility of future income if minerals are developed. Given the high risk of both share and mining investments there is a risk to the shareholders of impairment to the valuation of assets reported within the statement of financial position.

Emphasis of Matter – Basis of Accounting
We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the *Corporations Act 2001*. As per Note 1 Directors have assessed the company as a non-reporting entity because there are no users dependent on general purpose financial statements. Readers of the financial statements should be aware as a result, the financial report may not be suitable for another purpose than the purpose stated for the directors fulfilling their responsibilities under the *Corporations Act 2001*. Our opinion is not modified in respect of this matter.

Limitation of Auditor Scope – Chilean Subsidiary
The Chilean subsidiary financial statements are not audited by an independent Chilean auditor. The financial records presented for the Chilean Subsidiaries were not in a format on which we could base our audit work and validate transactions through the financial ledgers of the foreign subsidiaries. There is also a risk in translation when reviewing foreign subsidiary documentation, including invoices and contracts that our audit would not identify any errors. We therefore do not provide any opinion regarding the accuracy and completeness of transactions and cash movements reported within Comet Chile and impact on the accuracy of statement of cash flows during the period up to the demerger date (May 2018), validation of the profit on sale of subsidiary and joint venture distribution reported within the supporting notes, and sale of the Company's shares in that subsidiary We have recommended to Directors they consider engaging an independent Chilean auditor for future reporting periods.

The consolidated financial statements report significant movements between the group financial statements, in respect of the parent company's investment in the two Chilean subsidiary companies, Comet Chile and SCM Constelación. Our audit work was limited to obtaining explanations from the directors and review of Chilean documentation on the change in company operations as disclosed in the Directors report and as per Note 19. Our audit does not provide any opinion on the legality of these transactions or accuracy of the reported revenue as per Note 2.

Responsibilities of the Directors of the Financial Report
The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

COMET EXPLORATION LIMITED
ABN 19 147 948 883

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF COMET EXPLORATION LIMITED

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DICKFOS DUNN ADAM
Audit & Assurance
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T L Adam

Dated .....30.7.2019.....
SOUTHPORT