Komet Resources announce a small financing

Komet Resources {TSX.V: KMT} announced the closing of the first tranche of a private placement.

They raised CAD $592,000 through accredited investors and a director participating.

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Comment

When Komet presented in London just over a year ago, they estimated they would make CAD $10 million during 2017, and were discussing their intention to pay a dividend!

Move forward one year and that target has been missed by a country mile, and now they are raising money!

A bit disappointing, to say the least, so we'll have to watch to see if they can bed in their new equipment,and turn a profit in 2018.

Québec City, January 25, 2018 – Komet Resources Inc. {TSX.V: KMT} is pleased to announce that it has closed the first tranche of a non-brokered private placement with accredited investors as well as with a director of Komet (the "Insider") by issuing 1,600,500 units (the "Units") at a price of $0.37 per Unit, for total gross proceeds to Komet of $592,585. Each Unit consists of one common share (a "Common Share") and one-half common share purchase warrant. Each Warrant entitles the holder to purchase one additional Common Share of the Corporation at a price of $0.45 for 12 months from the closing date of the private placement (the "Closing Date").

Securities issued under the private placement will be subject to a four-month hold period from the Closing Date.

Komet will use the private placement proceeds to accelerate the exploration of his properties following the positive results and the favorable gold price.

The Insiders' participation for 1 million units is exempt from the formal valuation and minority shareholder approval requirements provided under Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions (“Regulation 61-101”) in accordance with sections 5.5 (a) and 5.7 (1) (a) of Regulation 61-101. The exemption is based on the fact that neither the fair market value of the private placement, nor the consideration paid by such Insiders exceeds 25% of the market capitalization of the Corporation. The Corporation did not file a material change report at least 21 days prior to the completion of the private placement since the Insiders’ participation was not determined at that moment.

The private placement was carried out pursuant to prospectus exemptions of applicable securities laws and is subject to final acceptance by the TSX Venture Exchange.

As a result of the private placement, 67,807,342 common shares of Komet are issued and outstanding.