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Mr. Andre Gagne reports

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Strong growth in results and break-even reached

During this period, Komet got its best gold production results to date, even though the plant is still not fully optimised. The quarterly income as of Sept. 30, 2016, exceeded \$1.16-million for the first time in the company's history and has been constantly growing at a significant pace over each quarter of 2016: \$383,164 in the first quarter 2016, \$658,589 in the second quarter 2016 and \$1,163,938 in the third quarter 2016.

The mine is cost-effective for the quarter ended Sept. 30,

2016. *For the first time in the history of the company, the gold sales largely exceeded the funds invested in the project during the same period.*

The gold sales totalled \$1,163,938 during the quarter, from which royalties amounting \$87,502 were paid or are payable resulting in net income from gold sales of \$1,076,436. The costs incurred at the mine during the quarter amount to \$834,066, resulting in a surplus of \$242,370.

Most important financing of the company's history

In July, 2016, the company finalised a financing for a gross amount of \$4,726,644, by the issuance of 13,129,567 shares at the price of 36 cents each. This issuance, with no warrants, provided the company with a net amount of \$4,463,089 in view of the fees related to the issuance.

This financing will allow the company to improve its financial situation, to acquire additional equipment to optimise the plant as desired in order to perform targeted exploration works on the Guiro/Diouga and the Moussala properties.

Process equipment

This quarter also marked the acquisition of the last planned equipment at the Guiro mine, including the third concentrator (Knelson KC-CD12) and the purchase of the intensive leach reactor (Concep Acacia). These two main equipment to increase recovery performance will be delivered, installed and commissioned in the first quarter of 2017.

We seek Safe Harbor.