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Dear Sir/Madam

## **MARCH 2012 QUARTER ACTIVITIES REPORT**

### **CORPORATE**

Comet Resources Limited (Comet) currently has cash reserves of \$2.5 million. Comet has been carrying out regional project evaluation with the view of pegging tenements which have underexplored mineral resource potential. A number of opportunities are being pursued.

### **UPDATE RIGHTS ISSUE AND MEMORANDUM OF UNDERSTANDING**

#### **Director Appointment**

On 12 April Comet Resources Limited announced the appointment of Mr Nathan Featherby as a non-executive Director of the Company. Mr Featherby holds a Bachelor of Commerce degree from Curtin University. His working career has been in stockbroking and merchant banking with a focus on small to medium mining and exploration companies.

Comet entered into a Memorandum of Understanding with Ochre Management Pty Ltd (**Ochre**), (a Company of which Mr Featherby is a Director), and Pelagic Capital Investments Ltd (**Pelagic**) in November 2011. The MOU forms the basis of an agreement to raise capital in Comet and allow the Company to become more aggressive in securing and developing resource assets.

As part of the MOU Ochre and Pelagic are facilitating a capital raising in Comet. A Rights Issue closed on the 29th Feb and the Underwriter is placing the shortfall. This is scheduled to be completed by the end of April 2012.

Mr Featherby is also a Director of Rico Resources Ltd. and Emerald Oil and Gas NL.

# LAKE DUNDAS PROJECT

## Proposed Exploration

A drill rig has been secured to carry out an initial programme in the third quarter of 2012. The planned exploration within the project area will focus on (i) structurally complex zones interpreted from aeromagnetic and (ii) follow-up drilling in the vicinity of the existing RC holes containing anomalous gold mineralisation.

## Location

Lake Dundas Project is in the Eastern Goldfields of WA, 40km south of the mining town of Norseman. Despite its location, along strike from this major gold camp, it has undergone minimal previous exploration. The tenement E 63/1484 was granted in late December 2011.

## Exploration Potential

The Lake Dundas project area is situated at the very southern end of the Norseman-Wiluna Greenstone Belt, which contains major gold and nickel deposits along its 800km length. Despite its prime location, minimal exploration has been conducted over the tenement, presumably due to a relatively shallow cover of aeolian and lake sediments and to the fact that GSWA mapping showed the southernmost greenstones to be to the north of the tenement area.

The same greenstone units that host gold deposits at Norseman are, however, present within the tenement over a strike length of up to 9km and over a width of up to 1km. Further, they have been drill tested by a previous explorer by a total of only four holes over a strike length of three kilometres. All four holes intersected low-grade gold mineralisation.

The locations of the holes were in part determined by ease of access and in part by geophysical targets.

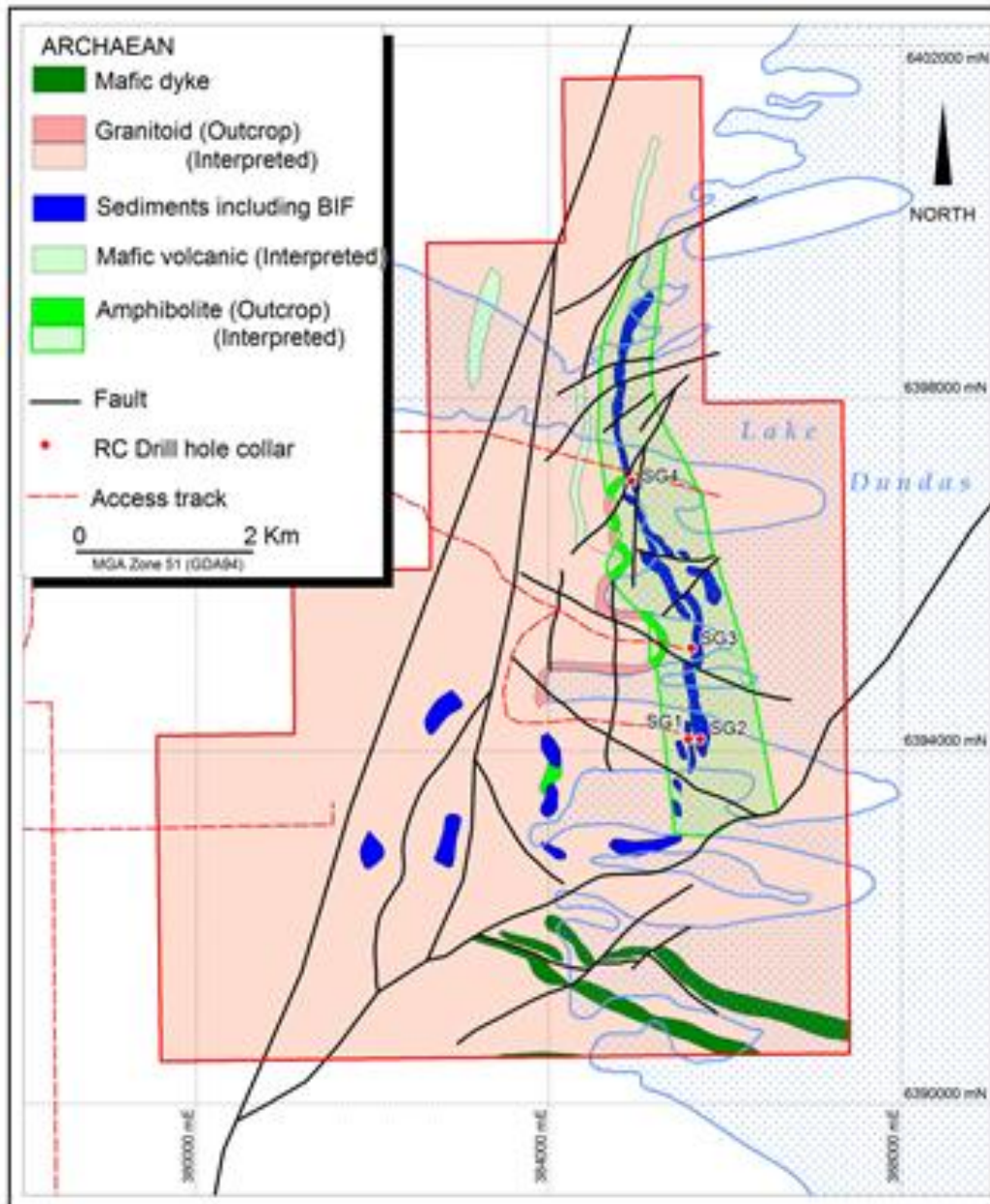
- **Hole SG1: 18m @ 0.15g/t Au from 18m, including 1m @ 0.44g/t Au;**
- **Hole SG2: 4m @ 0.16g/t Au from 15m;**
- **Hole SG3: 8m @ 0.43g/t Au from 1m, including 2m @ 0.7g/t,  
12m @ 0.18g/t Au from 29m,  
and 24m @ 0.22g/t Au from 46m;**
- **Hole SG4: 3m @ 0.11g/t Au from 39m  
and 1m @ 0.6g/t Au from 49m.**

Four other aeromagnetic targets remain untested and both these and, to a lesser extent the entire belt, are prospective for gold mineralisation.

Also of interest, is the location of the project on the margin of the terrain that was affected by Proterozoic metamorphism, within which are situated the AngloGold Ashanti Ltd-Independence Group Ltd Tropicana gold deposit and Beachcomber Prospect.

In summary, the area contains a belt of non-outcropping greenstones that are known to be strongly mineralised to the north along the same structural and stratigraphical trend.

Approximately 5 Moz of gold has been produced from the same greenstone sequence in the Norseman district. The presence of significant intersections of gold in previous drilling and the low level of previous exploration makes this tenement very prospective.



Lake Dundas Project – Geological interpretation and hole locations

For further information please contact.

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*Comet listed on the Australian Stock Exchange in 1994. The Company discovered and studied the Ravensthorpe Nickel Project. In 2001 Comet successfully sold its final equity to BHP Billiton and returned to Comet shareholders \$32 million. Comet has a number of exciting projects that it is currently exploring and advancing. Comet has cash assets of approximately \$2.5 million, 0.5 million Ferrowest shares and has approximately 77 million shares on issue.*

*The information in the report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr. A Cooper, who is a Member of The Australian Institute of Mining and Metallurgy, with over 20 years experience in the mining industry. Mr. Cooper has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

#### **Drill Hole Summary Lake Dundas**

Hole No	Northing (AMG)	Easting (AMG)	RL (m)	Azimuth	Inclin	Depth
SGC1	6393879.8	385550.7	230.6	90	-60	38
SGC2	6393878.3	385605.2	229.9	90	-60	38
SGC3	6394976.2	385616.6	230.5	90	-60	74
SGC4	6396878.0	384950.0	230.8	113	-60	59