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Dear Sir/Madam

## **June 2013 QUARTER ACTIVITIES REPORT**

### **Corporate**

Comet entered into a conditional option agreement to acquire 100% of Kyrgyz Gold Pty Ltd (KG). KG has an option to acquire 90% of the group holding three exploration licences prospective for gold mineralisation within the Kyrgyz Republic. If Comet elects to acquire KG, it will own the option to acquire the controlling interest in these licences.

Comet has the opportunity to undertake 6 months of due-diligence over the licences before a decision needs to be made to exercise its option. During this 6 months due diligence period, Comet is not required to incur any material expenditure, other than in respect of a monthly option maintenance fee and due diligence costs. For further details on the agreement see Comet's announcement on 21<sup>st</sup> of May 2013 Rights to Acquire Interests in Gold Projects.

During the quarter director Mr Roger Hill passed away. Mr Hill was a founding Director of Comet Resources Ltd (**Comet**).

Mr Edmund Czechowski, was appointed to the board on 30<sup>th</sup> of May 2013. Mr Czechowski is also Comet's Company Secretary and continues to act in that position.

Comet continues to review new project opportunities, as well as evaluate its 100% owned projects.

### **Kyrgyz Gold Pty Ltd**

During the quarter Comet secured the rights to acquire interests in three licences (Ashutor, Jetymbel and Chakyrkorum) prospective for gold in Kyrgyz Republic.

Comet has commenced due- diligence work on these three licences which has included site visits, resampling of trenches, data reviews, corporate and legal due-diligence.

## ***Ashutor Licence (55 km<sup>2</sup>)***

The Ashutor licence is located some 650 km east of Bishkek (the Kyrgyz Republic capital), within the Issyk-Kul region of the Kyrgyz Republic.

The licence occurs in the Northern Tension Zone of the Tien Shan metallogenic belt, a fault and thrust belt in Central Asia. The Belt extends from Uzbekistan in the West through Tajikistan and the Kyrgyz Republic into northwestern China and hosts a number of important gold deposits, including Muruntau (180Moz), Zarmitan (10Moz), and Kumtor (26Moz)\*.

The licence covers an area of intense folding and fractured andesitic-basaltic volcanics intruded by latter granites. Gold-bearing mineralisation is associated with quartz-sulphide & quartz-feldspar veins and veinlets.

Exploration work completed since 2005 has included surface rock chip samples, trenches, reverse circulation and diamond drilling holes. This work has verified the presence of vein hosted gold mineralisation that has been traced over 1.5 km and is up to 50 metres (m) wide.

Due diligence work has concentrated on a zone of high-grade gold mineralisation identified from historic trench work. This zone has widths up to 50m and a strike of over 150m (open to the south). Trench results include T04 50m @ 20g/t Au (including 20m @ 46 g/t Au) and Trench P04 30m @ 15.8g/t Au (including 14m @ 41.9g/t Au).

CRL's initial due diligence work has included resampling this zone and reviewing the historic data.

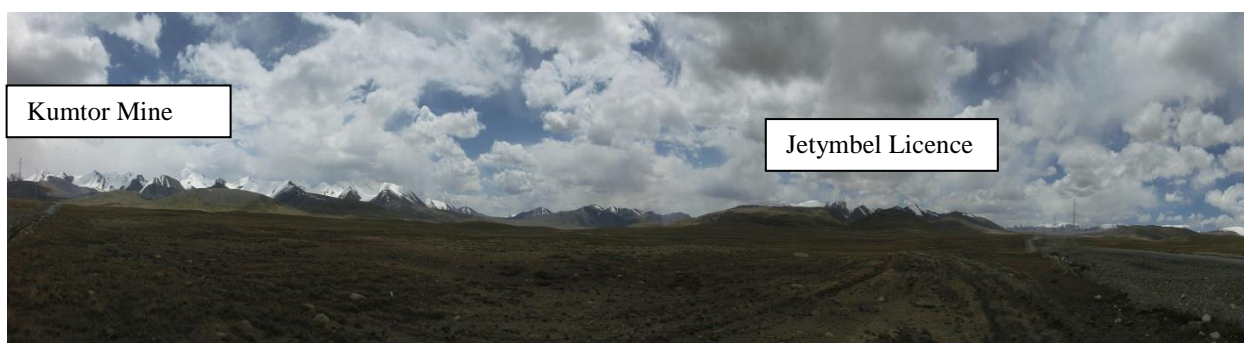


Resampling trenching at Ashutor

## ***Jetymbel and Chakyrkorum (445 km<sup>2</sup>)***

The Jetymbel and Chakyrkorum are located some 350 km to the southeast of the Kyrgyz capital of Bishkek. The licences occur in the middle of the Tien Shan metallogenic belt, a fault and thrust belt in Central Asia that extends from Uzbekistan in the West through Tajikistan and the Kyrgyz Republic into northwestern China. The Belt hosts a number of important gold deposits including Muruntau (180Moz), Zarmitan (10Moz), and Kumtor (26Moz)\*.

The Jetymbel licences is approximately 15 km along strike to the south-west from the 26 Moz Kumtor\* gold deposit owned and operated by Canadian mining company, Centerra Gold Plc.



180 deg view from Kumtor to Jetymbel licence from Kumtor access road

The Kumtor mineralisation is hosted largely in black shale sedimentary formations with intense silicification and sulphide occurrences. Similar structures and alteration have been observed on the Jetymbel licences.

Comet's initial due diligence work will include a data review and resampling the mineralised zones in preparation for target drilling.

Chakyrkorum licence lies further to the south and a data review is being conducted over this licence.

## **Background to the Kyrgyz Republic.**

The Kyrgyz Republic separated from the Soviet Union in 1990, and in 2010 the country moved forward to a parliamentary democracy. As part of the continuing reform by the Kyrgyz government, a decree of protection of investments law was made in April 2010. The adoption of a new constitution provides protection against seizure or interference of business and employment activities.

In addition, its new mining laws introduced in 2012 have encouraged foreign investment by increasing transparency and easing the acquisition and maintenance of exploration

licences by investors. The Kyrgyz Republic has been chosen as the Asia Mining Clubs (HK) "Mining Country of the Year" prize-winner for 2013 (press release Asia mining club conference).

Further detail regarding option deal and agreement can be found in Comet's announcement dated 21<sup>st</sup> of May 2013 Rights to Aquire Interests in Gold Projects.

## **CANNING BASIN PROJECT**

Comet now has two granted Exploration Licences E45/3893 and E45/3894. These Exploration Licences are in the Canning Basin, Western Australia. They are considered to have potential for the discovery of Permian coal deposits and other fossil fuel derivatives.

Historical exploration by Stockdale Prospecting Limited drill tested geophysical diamond targets in the Canning Basin during 1997. During this program several holes intersected material described as coal, lignite, bituminous and carbonaceous (coal material) within Permian sediments, with the largest intersection of this material being 32m (the hole was terminated in the coal material). Comet's tenements cover the best holes.

Anomaly KID 528 hole 1, 746333 E 7599270 N intersected 32 metres of coal material from 78 metres. The hole was terminated in coal material.

Anomaly KID 461 hole 1, 653300 E 7680110 N intersected 11 metres of coal material from 53 metres hole was terminated in coal material.

Anomaly KID 461 hole 2, 653510 E 7680040 N intersected 5 metres of coal material from 50 metres. The hole terminated at 58 metres.

The quality of these intersections is hard to ascertain from the drill logs and Stockdale did not conduct any further investigation on the coal material. However, the deposition environment is prospective for coal development and highlights the potential of Comet's tenements. There is no evidence of coal exploration in the area of Comet's tenements.

For further information please contact.

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CRL listed on the Australian Stock Exchange in 1994. The Company discovered and studied the Ravensthorpe Nickel Project. In 2001 CRL successfully sold its final equity to BHP Billiton and returned to CRL shareholders \$32 million. CRL has a number of exciting projects that it is currently exploring and advancing. CRL has cash assets of approximately \$2 million, 0.5 million Ferrowest shares and has approximately 81.4 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.

This release may include forward looking statements that are based on management's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risk, uncertainties and other factors, many of which are outside the control of CRL, that could cause actual results to differ materially from such statements. CRL makes no undertaking to subsequently update or revise forward looking statements made in this release to reflect events or circumstances after the date of this release.

#### Technical information

The principal sources of technical information used in this release are based on information provided by KG and its advisers, government agencies, independent consultants, and other published and unpublished data. CRL has endeavoured, by making all reasonable enquiries (taking into account its intended further due diligence), to confirm the authenticity and completeness of this technical information.

#### Notes

\* Refers to data sourced from:

Centerra Gold Plc website Kumtor production and reserves

Wilde, A. and Gilbert, D. 2000. Setting of the giant Muruntau Gold Deposit: Implications for ore genesis. In: (Ed.) Gordon Lister, Geological research for the exploration industry, Journal of the Virtual Explorer, Electronic Edition, ISSN 1441-8142, volume 1, paper 1, doi:10.3809/jvirtex.2000.00004

Porter geoconsultance database mine info website

GeoScienceWorld website Zarmitan Granitoid-Hosted Gold Deposit< Tian Shan Belt, Uzbekistan