

24th October 2016

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SEPTEMBER 2016 QUARTER ACTIVITIES REPORT

Highlights

Corporate

- **\$853,000 Capital Raising completed.**

SPRINGDALE PROJECT, WESTERN AUSTRALIA (100% CRL)

- **Completed drilling to define strike extension of newly discovered graphite zone.**
- **Completed diamond drilling for metallurgical test work samples.**
- **Completed drilling to test other prospective graphite zones.**
- **Graphite logged in all diamond holes and 40 aircore holes.**
- **Initial results pending.**
- **New tenement applied for at Springdale.**

Dear Sir/Madam

CORPORATE

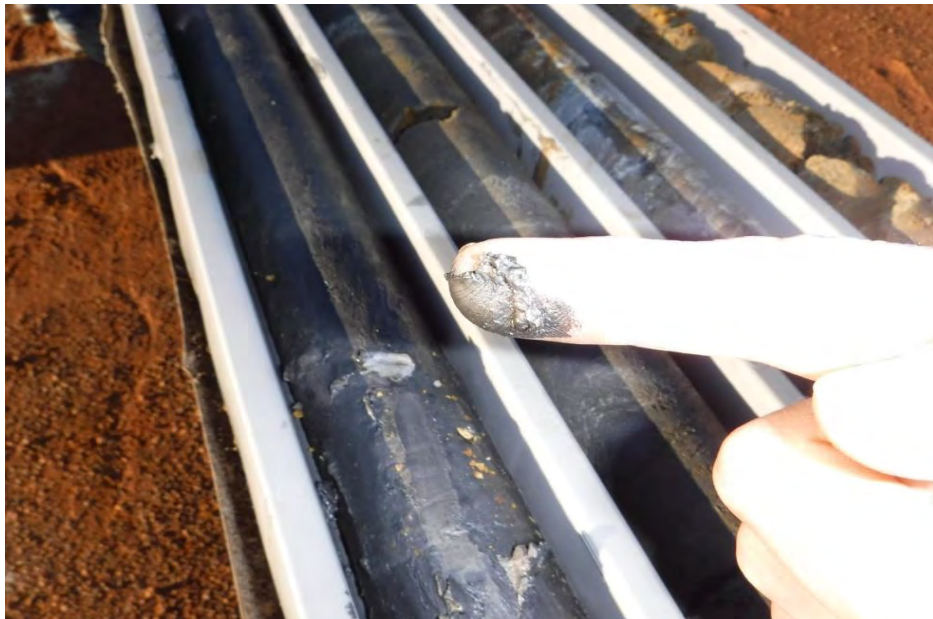
Comet Resources Limited (ASX: **CRL**)(**Comet**) raised \$853,000 with Cicero Advisory Services Pty Ltd. The \$853,000 will be used for the exploration of Comet's new graphite discovery in the South West of Western Australia (Springdale Project), ongoing working capital and the assessment of new project opportunities.

Comet continues to review new projects and technology opportunities, as well as evaluating its 100% owned projects. Comet is continually assessing opportunities to acquire prospective ground.

SPRINGDALE GRAPHITE PROJECT (100% CRL)

Comet is the 100% owner of the 36 Graticule block Springdale exploration licence E74/562, located approximately 30 km east of Hopetoun, Western Australia. The tenement lies within the deformed southern margin of the Yilgarn Craton and constitutes part of the Albany-

Frazer Orogen, which hosts the historic Halberts Graphite mine near Munglinup (50km away). The Munglinup area has produced the bulk of Western Australia's recorded graphite production. The tenement is over freehold land with sealed road access within 20km and is located approximately 150km from the port of Esperance.



Diamond core from Springdale

Comet successful completed the current Springdale graphite drilling program this quarter. The program consisted of 4 HQ diamond drill holes for 282 metres and 103 aircore holes for 2,577 metres. The program tested Comet's newly discovered graphite zone to determine the strike distance and orientation and other prospective graphite zones.

All four Diamond holes intersected graphite mineralisation with widths over 10m (to be confirmed by assaying). The diamond drill holes tested dip and obtained samples that will be used for metallurgical test work.



Diamond Core Hole 1



Diamond Core Hole 2



Diamond Core Hole 3



Diamond Core Hole 4



Aircore drilling from the current program

The aircore drilling program has also been completed. **Graphite has been logged in 40 holes** (to be confirmed by assaying). All graphite samples are in the laboratory for assaying. This program tested strike extensions to the discovered graphite zone and other graphite zones.



Google Earth Image showing the exploration program.

A few holes tested for Gold and Nickel mineralisation over the inferred Springdale Greenstone Belt. This unexplored remnant Archaean greenstone belt is located within the deformed Albany-Frazer Orogen on the southern margin of the Yilgarn Craton. The discovery of the Tropicana gold deposit has highlighted the prospectivity of reworked parts of greenstone along the Yilgarn Craton margins. These samples are still to be submitted for assaying.

GILMORE PROJECT EL8282 (100% CRL)

The Gilmore Project is a 75 unit exploration licence located 80km west of Canberra in New South Wales. The Project constitutes an attractive target for gold and base metal mineralisation due to the presence of a Silurian volcano-sedimentary sequence, located close to a major regional thrust fault zone (the Gilmore Suture). The Gilmore Suture is a controlling focus for major gold deposits including Sovereign Gold Ltd.'s Mount Adrah (located approximately 30kms away along the Gilmore Suture), Adelong, Temora, Gidginbung, West Wyalong, Lake Cowal, and Mineral Hill. Widespread gold and base metal geochemical responses within the Project area also contribute to the potential of this Project.

EXPLORATION EXPENDITURE INCURRED

Exploration expenditure incurred by Comet during the quarter ending 30 June 2016 on projects is set out below.

Project	Expenditure Incurred
Gilmore Project	\$65,000
Springdale Project	\$196,000

MINING TENEMENTS STATUS

Mining tenements held at the end of quarter

Project and location	Interest	Tenement
Gilmore Project, Tumut NSW	100%	EL 8282
Springdale Project, Hopetown WA	100%	E74/562
Bells Find, 10km west Southern Cross	25%	M74/1055

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 \$1.3 million and has approximately 133 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 Consultant and director to Comet is also a Member of The Australian Institute of Mining and Metallurgy, with over 30 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 2012 edition of the "Australian Code for Reporting of Exploration Results, 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.