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## **ALL FOUR DIAMOND HOLES INTERSECT HIGH GRADE GRAPHITE.**

**HD001: 15.8 metres at 10% TGC including 7 metres at 21% TGC.**

**HD002: 8 metres at 10% TGC including 2 metres at 22% TGC.**

**HD003: 17.5 metres at 11 % TGC including 6 metres at 22% TGC.**

**HD004: 10 metres at 13% TGC including 2 metres at 22% TGC.**

**Results for 40+ aircore holes and metallurgical test work is expected this quarter.**

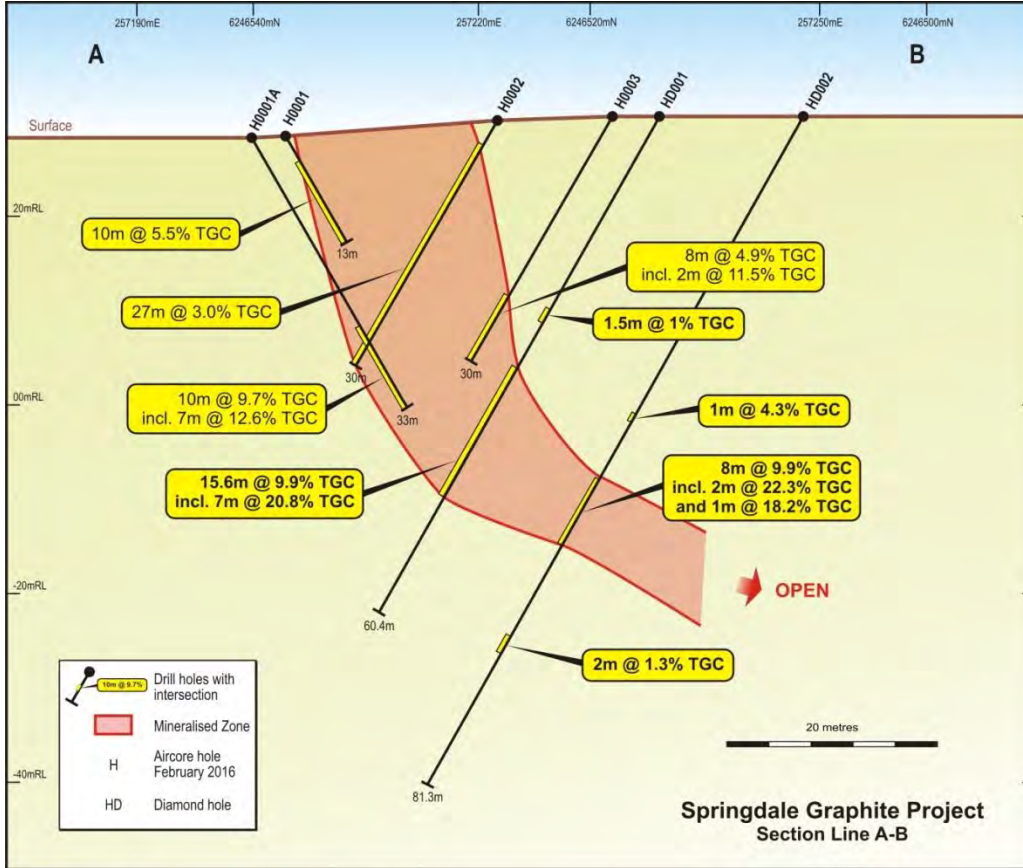


Comet Resources Limited (ASX: **CRL**)(**Comet**) conducted a diamond and aircore drilling program at the Springdale Graphite Project Western Australia in the September quarter 2016.

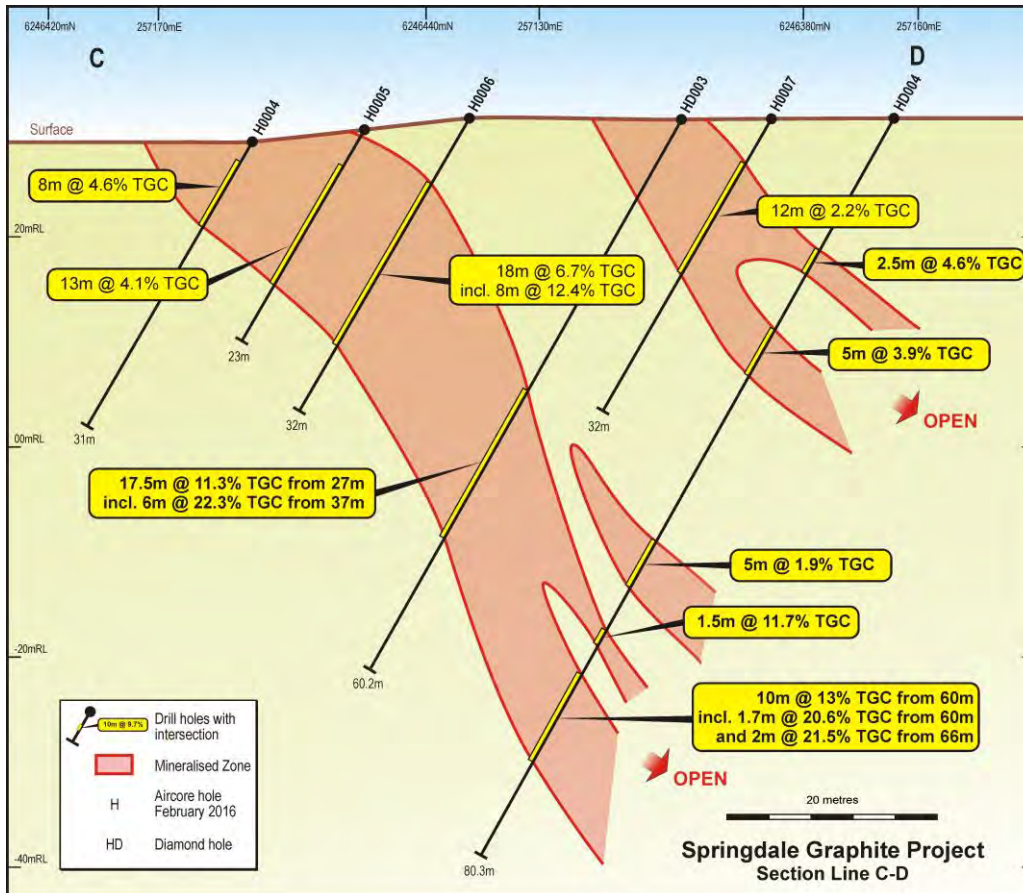
The program consisted of 4 HQ diamond drill holes for 282 metres and 103 aircore holes for 2,577 metres. The program tested Comet's newly discovered graphite zone to determine the strike, distance, orientation and other prospective graphite zones.

Results for all four diamond drill holes are presented in cross section below. Results for 40+ aircore holes and metallurgical test work are expected this quarter A Diamond and RC drilling program has been planned for early next year to extend this high grade graphite zone.

### Cross Section on A – B Section Line



### Cross Section on C – D Section Line.



Diamond drill hole intersections include:-

**HD001: 1.5 metres at 1% TGC (Total Graphitic Carbon) from 23.5 metres, 15.6 metres at 9.9% TGC from 30.4 metres including 7 metres at 20.8% TGC from 31 metres.**

**HD002: 1 metre at 4.3% TGC from 36 metres, 8 metres at 9.9% TGC from 44 metres including 2 metres at 22.3% TGC from 44 metres and 1 metre at 18.2% TGC from 50 metres, 2 metres at 1.3% TGC from 63 metres.**

**HD003: 17.5 metres at 11.3% TGC from 27 metres, including 6 metres at 22.3% TGC from 37 metres.**

**HD004: 2.5 metres at 4.6% TGC from 14.3 metres, 5 metres at 3.9% TGC from 23 metres, 5 metres at 1.9% TGC from 46 metres, 1.5 metres at 11.7% TGC from 55.5 metres, 10 metres at 13% TGC from 60 metres including and 1.7 metres at 20.6% TGC from 60 metres and 2 metres at 21.5% TGC from 66 metres.**

The deeper diamond drilling graphite grades tend to be significantly higher than shallow aircore drilling. The reasons for this are to be explored with the next phase of drilling.

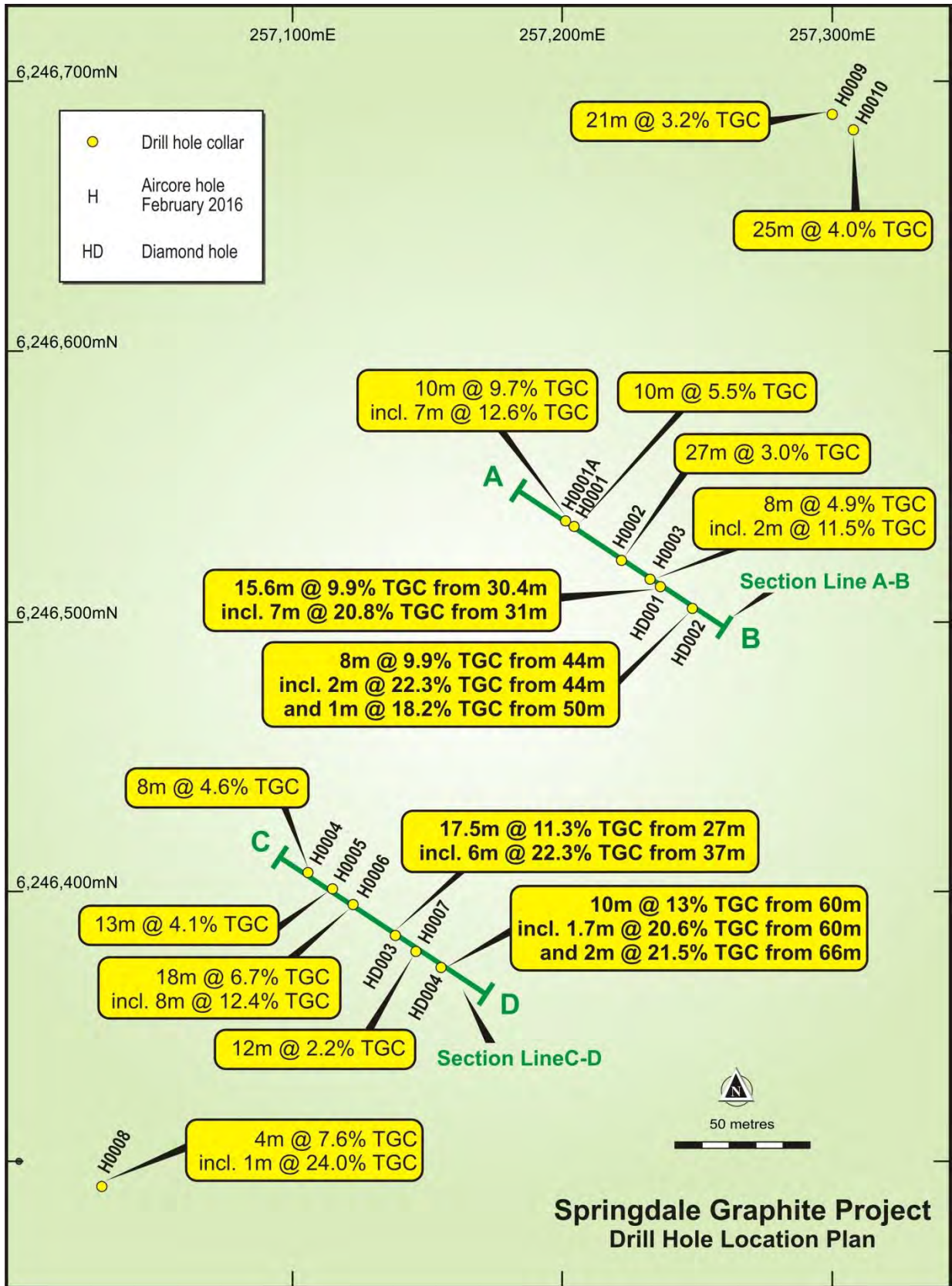
A number of samples have been selected for further test work. This includes bulk sample metallurgical work, flake size determination and other test to determine products and purity. Historically Large to Jumbo flake sizes (>180µm) are common at the Springdale Graphite Project.

#### **Drill Collar Table.**

HOLE	MGA94E (m)	MGA94N (m)	ZONE	COLLAR RL (m)	DIP (deg)	AZIMUTH (deg)	DEPTH (m)
H0001	257204	6246535	51	29	-60	124	13
H0001A	257201	6246537	51	29	-60	124	33
H0002	257222	6246523	51	30	-60	304	30
H0003	257232	6246516	51	30	-60	304	30
H0004	257106	6246407	51	29	-60	304	31
H0005	257115	6246401	51	30	-60	304	23
H0006	257122	6246395	51	30	-60	304	32
H0007	257146	6246378	51	31	-60	304	32
H0008	257029	6246291	51	30	-60	304	30
H0009	257300	6246688	51	29	-60	304	29
H0010	257308	6246682	51	29	-60	304	41
HD001	257236	6246513	51	30	-60	304	60.4
HD002	257248	6246505	51	30	-60	304	81.3
HD003	257138	6246384	51	30	-60	304	60.2
HD004	257155	6246372	51	30	-60	304	80.3



**Plan Showing Drill Hole Locations and Major Intersections.**



## Background

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.



Comet completed a successful first pass aircore drilling program comprising 11 holes for 324 metres in February 2016. This February 2016 program confirmed that graphite was present in a prospective zone/horizon. All 11 holes intersected graphite mineralisation over approximately 500 metres of strike dip to the east. Significant intersections from this drilling are:

- H01A: 7 metres at 12.6% TGC from 26 metres to end of hole (EOH);**
- H03: 2 metres at 11.5% TGC from 28 metres to EOH;**
- H06: 8 metres at 12.4% TGC from 16 metres;**
- H08: 1 metre at 24% TGC from 18 metres; and**
- H10: 25m at 4% TGC from 6 metres.**

## Petrographic Examination

Townend Mineralogy Laboratory conducted petrographic examination on 8 selected samples. The samples contained a variation of graphite flake sizes. Some flakes were up to 500 µm in size. Large to Jumbo flakes (>180µm) are common in most samples and these flakes tend to be elongate in nature. Flakes with a blocky habit are more typically in the small to medium flake size range (75-180µm).

The Townend Mineralogy Laboratory report states that “most of the samples contain reasonable quantities of graphite, but the altered nature of the clay bearing examples meant that the graphite flakes were frequently split because of clay penetration.” This is expected due to the shallow nature of these samples collected from high in the weathered zone.

A full report for this drilling can be found in Comet's release dated 6 April 2016 - "Springdale Project delivers new graphite discovery in Western Australia" and details of the associated Townend Mineralogy Laboratory report in the release dated 28 June 2016 - "Springdale graphite project update".

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.*

## JORC TABLE 1

### Section 1 Sampling Techniques and Data

Criteria	Explanation
<i>Sampling techniques</i>	Diamond drilling produced samples that were cut into ½ core one side of ½ core was cut to produce two sections of ¼ core. The ¼ core was sampled to produce an approximate two kilogram sample, which is considered representative of the full drill metre. This is considered to be an industry standard. Sampling was guided by qualified field personnel. Samples were submitted to ALS Laboratories in Perth. Samples were analysed for Graphitic Carbon.
<i>Drilling techniques</i>	Springdale Diamond drilling program comprised 4 drill holes, which were completed by ONQ Exploration Solutions using a Desco 7000 rig. Triple tube NQ core was recovered.
<i>Drill sample recovery</i>	Overall recoveries were good and limited sampling recovery problems encountered. Insufficient drilling and geochemical data is presently available to evaluate any potential sample bias.
<i>Logging</i>	Geological logging of the drill core was recorded for all holes, including lithology, mineralogy, grainsize, texture, weathering, oxidation, colour and other features of the samples. Drill core were not logged to any geotechnical standard and the data is insufficient to support Mineral Resource estimation at this stage. The drill holes were logged in full to the end of the hole.
<i>Sub sampling techniques and sample preparation</i>	Check and repeat samples have been submitted for analysis. Each sample was weighed at the preparation laboratory and the weights recorded along with analytical results. No specific quality control procedure has been adopted for the collection of the samples. Samples were shipped to ALS laboratories in Perth WA for drying, pulverizing and splitting to prepare a pulp of approximately 200 grams which was analysed at ALS Laboratories in Brisbane Qld. The sample sizes are considered to be appropriate to correctly represent the sought after mineralisation style.
<i>Quality of assay data and laboratory tests</i>	Average sample weight submitted for prep was 2kg with a range from 1kg to 3kg. Analysis was by CSA05V Graphitic Carbon, LECO Method. Samples were dried crushed and pulverised to minus 75 microns. This is an accepted industry analytical process appropriate for the nature and style of mineralisation under investigation. Company generated blanks or standards were incorporated into the sampling procedure. ALS undertook their own internal checks and blanks.
<i>Verification of sampling and assaying</i>	No verification work has been conducted yet. This will be in the forward work program now that the analytical results from this initial sampling are known. No independent or alternative company has yet been engaged to verify results.
<i>Location of data points</i>	All drill hole sites have been located using a Navcon SF-3050 unit used for DGPS/DGNSS surveying and cross checked onto aerial photographs where relevant. The recorded locations used the WGS 84 and accuracy is limited to approx. 10 cm.
<i>Data spacing and distribution</i>	4 Diamond holes were completed. The spacing between these holes varied as indicated by the drill location image included in the body of the accompanying report. This drill data is not being used for estimating a Mineral Resource or modelling of grade at this stage in exploration. No sample composting was applied.

<i>Orientation of data in relation to geological structure</i>	The orientation of Comet's drilling was designed to intersect the target zone at right angles in an attempt to minimise the risk of biased sampling. The orientation of the drilling is deemed sufficient at this stage of exploration.
<i>Sample security</i>	All samples were collected in calico sample bags with sample number identification on the bag. Bags were then checked and submitted to ALS sample preparation in Perth WA by Comet staff. Security over sample dispatch is considered adequate for these samples at this time.
<i>Audits or reviews</i>	No audits or reviews have yet been conducted on the exploration data presented in this release.



## Section 2 Reporting of Exploration results

Criteria	Explanation
<i>Mineral tenements and land tenure status</i>	The Exploration license is current and 100% owned by Comet Resources Ltd. There are no outstanding issues regarding access or ownership on the targeted land.
<i>Exploration done by other parties</i>	Unpublished and verbal reports of graphite mineralisation encountered in shallow calcrete/limestone drilling and extractive industry operations at the Springdale Project.
<i>Geology</i>	Archaean greenstone belt and the surrounding Archaean Munglinup Gneiss which encapsulates the Belt. The greenstone belt is located within the deformed southern margin of the Yilgarn Craton and constitutes part of the Northern Foreland lithotectonic unit of the Albany-Frazer Orogen. Two different mineral deposit models are proposed: <ul style="list-style-type: none"> <li>a) Archaean style gold, nickel copper mineralisation in remnant greenstone and reworked Yilgarn Craton rocks; and</li> <li>b) Graphite mineralisation within metamorphosed Archaean granitic and sedimentary rocks.</li> </ul>
<i>Drill hole Information</i>	Drilling details are in the main body of this announcement.
<i>Data aggregation methods</i>	Any reported intersections are based on a regular sample interval of one metre unless otherwise stated. No upper cuts are applied and no internal dilution has been used for any intersection calculations. No metal equivalents have been used in this report. Cut-off grade of 1% TGC has been used and nominal 3 metre waste (below 1%) has been included in extended intervals. Higher grade intercepts use a cut-off of 10% TGC.
<i>Relationship between mineralisation width and intercept lengths</i>	There is insufficient understanding of the bedrock geology at present to determine the true thickness of any reported drill intersections. Any intersections included in this report are downhole lengths. The true widths of these intersections are not known.
<i>Diagrams</i>	Appropriate maps and sections are included in the body of this report.
<i>Balanced reporting</i>	The accompanying document is considered to represent a balanced report. Further evaluation into the significance of these results is ongoing.
<i>Other substantive exploration data</i>	Other exploration data collected by the Company is not considered as material to this report at this stage. Further data collection will be reviewed and reported when considered material.
<i>Further work</i>	These results will need to be verified in the field and duplicate test work conducted to ensure repeatability. In addition more drilling will need to be done to determine the extent of the graphite mineralisation. Initial metallurgical and crystal size test work will also need to be conducted to give first indications of the potential to recover Graphite identified within the mineralised rocks.