



23 June 2017

The Company Announcements office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Comet raises A\$1.5 million for drilling and metallurgical testwork at the Springdale Project

Comet Resources Limited (ASX:CRL) ("Comet") (the "Company") is pleased to advise that it has received commitments from sophisticated and institutional investors to subscribe for A\$1.5 million worth of fully paid ordinary shares ("Shares") via a private placement (the "Placement"). The raising was supported by both existing shareholders and new investors.

The funds will be used to advance Comet's exciting new Springdale Graphite Project where it has recently been discovered that graphene can be produced from Springdale ore by electrical exfoliation - a highly scalable process believed to be dramatically lower in cost than traditional methods of graphene production. Comet is continuing to conduct metallurgical testwork and further drilling is currently underway (refer to announcement titled "*Diamond Drilling Commenced – Springdale Project*" dated 31 May 2017).

Comet proposes to issue 30,000,000 Shares at an issue price of A\$0.05 to raise approximately A\$1,500,000. This Placement will comprise of two tranches:

- Tranche 1 – comprising of 19,950,00 Shares, raising A\$997,500. Tranche 1 will be issued under the Company's capacity under ASX Listing Rule 7.1; and
- Tranche 2 – comprising of 10,050,000 Shares, raising A\$502,500. Tranche 2 will be issued following shareholder approval, which is expected to be sought at the Extraordinary General Meeting on or about Tuesday, 25 July 2017.

Canaccord Genuity (Australia) Limited acted as Lead Manager and bookrunner to the transaction. In line with its ongoing advisory engagement, Cicero Advisory assisted with the introductions and negotiations regarding the Placement.

Comet's Managing Director Tony Cooper said "***Graphene being produced from exfoliated Springdale graphite ore represents a game changing event for the Company***".

Background

Comet's Springdale Project is located approximately 30 km east of Hopetoun, Western Australia. The tenements lie within the deformed southern margin of the Yilgarn Craton and constitute part of the Albany-Fraser 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 owns 100% of the three tenement's E74/562, E74/583 and ELA74/612 that make up Springdale project. The total land holding at Springdale is approximately 220 square kilometres.

The Company completed a successful first pass aircore drilling program in February 2016 which confirmed that graphite was present in a prospective zone/horizon. Following a second round program in September 2016, Comet has now drilled 113 aircore holes for 2,901 metres and 4 diamond holes for 282m. Graphite mineralisation is still open along strike and at depth.

Recent metallurgical testwork managed by the Company's metallurgical consultant IMO Project Service Pty Ltd, has identified graphene (several layers thick) from Springdale ore produced by the electrical exfoliation method.

Comet is currently drilling at the Springdale Project and metallurgical testwork is continuing.

Further details will follow in the proposed Notice of Meeting.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'E. Czechowski', written over a light blue horizontal line.

Edmund Czechowski
Company Secretary