

10th November 2017

Graphite Target Zone Identified Over 26 Kilometres at the Springdale Project, Western Australia

Highlights:

- **Aeromagnetic survey has identified a graphite target zone that extends over 26 Kilometres;**
- **Five Priority Targets Identified;**
- **Target 1 hosts 1.5 km of interpreted strike with very limited drill testing and contains diamond hole HD018 which intersected 11 metres at 25.6% TGC including 9 metres at 30.2% TGC;**
- **Access agreement executed with two land owners allowing access to targets;**
- **Drilling to commence early December.**

Comet Resources Limited (ASX: CRL) (**Comet**) recently conducted a 220 sq km detailed aeromagnetic survey over the Springdale Graphite Project in Western Australia. The survey has been interpreted by Southern Geoscience Consultants in Western Australia, who focused on identifying stratigraphy deemed to be prospective for graphite mineralisation.

The interpretation has **delineated 26 Km of stratigraphy deemed to be prospective for graphite mineralisation. Comet has only drilled 1.8 km or 7% of this stratigraphy and has already discovered multiple graphite zones.** Structural interpretation identified tight folding of the stratigraphy within Comet's tenements, highlighting the potential for repetition and thickening of prospective units. By combining existing drillhole data and the geological and structural interpretation from the aeromagnetics, Comet has identified five high priority drill targets.

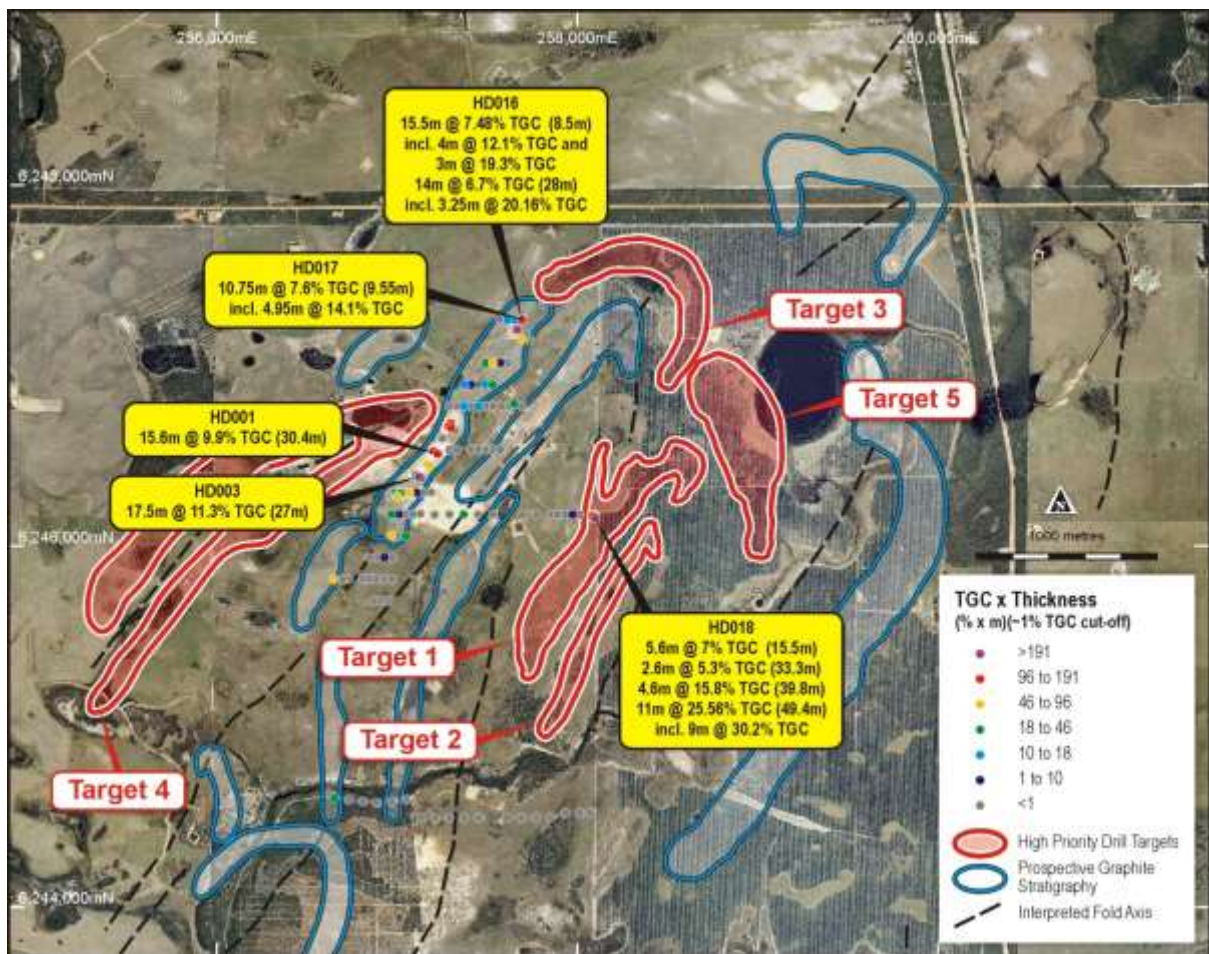


Figure 1: Map showing all targets prospective for graphite mineralisation.

Target 1: 1.5km of interpreted strike with very limited drill testing. Contains multiple high grade intersections in diamond hole HD018. These intersections include - 5.6 metres @ 7% Total Graphitic Carbon (TGC) from 15.5 metres, 2.6 metres @ 5.3% TGC from 33.3 metres, 4.6 Metres @ 15.8% TGC from 39.8 metres including 3.1 metres @ 21% TGC and **11 metres @ 25.6% TGC from 49.4 metres including 9 metres @ 30.2% TGC (new high grade zone).**

Target 2: Is immediately adjacent to Target 1 with a comparable geological setting. There has been no drill testing to date.

Target 3: Is in an area interpreted to be a fold closure, a very prospective structural setting that is now a priority drill target for the Company. It is believed that this target may host a wide graphite horizon resulting from thickening of the prospective stratigraphy within the fold closure. Comet has already identified broad zones of graphite mineralisation proximal to Target 3 including HD016 which intersected 15.5 metres @ 7.5% TGC and 14 metres @ 6.6% TGC representing approximately 30 metres of graphite mineralisation in one hole. **The recently completed diamond drill program confirmed significant thicknesses of graphitic material in this area, assay results are pending and are expected in the next few weeks.**

Target 4: This target sits in an area interpreted to be an isoclinal fold meaning the prospective horizon is essentially doubled in thickness. Graphite has been recorded

in historical drilling, but there are no associated assays. Early drilling in the area has been difficult with most holes attempted stopping in the first 5 metres due to hard caprock. The upcoming drilling program will use a more capable RC rig to resolve past penetration issues.

Target 5: this target has a similar geological setting to the 1.8 km zone that has produced the majority of reported intersections to date.

The air magnetic survey covered approximately 220 Sq Km and was flown at 50m line spacing at a nominal height of 35 metres. Line direction is East – West.

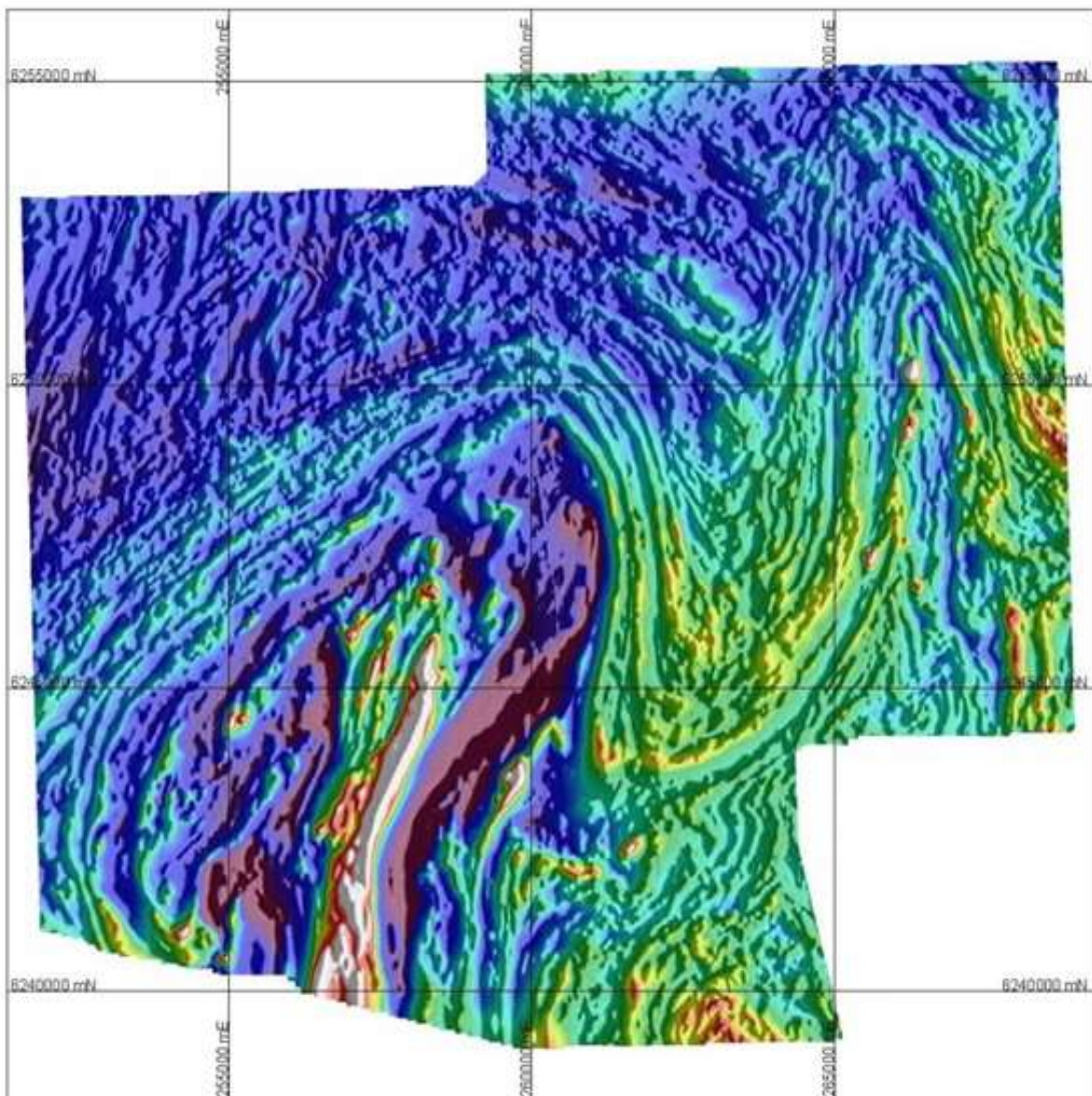


Figure 2: Aeromagnetic survey covering all of Comets Springdale tenements.

An additional compensation agreement has been completed with the land owner to the east of the area currently drill tested. This farm covers the extension east from HD018 which intersected 5.6 metres @ 7% Total Graphitic Carbon (**TGC**) from 15.5 metres, 2.6 metres @ 5.3% TGC from 33.3 metres, 4.6 Metres @ 15.8% TGC from

39.8 metres including 3.1 metres @ 21% TGC and **11 metres @ 25.6% TGC from 49.4 metres including 9 metres @ 30.2% TGC**. The agreement consists of an option to purchase the land and also includes the issue of 400,000 Comet options with a 10 cent strike.

This new agreement gives Comet ground access to all the priority drill targets.

Moving Forward

Comet plans to progress the assessment of the graphite and graphene at Springdale Project through the following work programs:

Metallurgical Testwork – Metallurgical testwork on samples generated in the recent diamond drill program has already commenced. This PQ core will allow for more detailed work on selected graphite zones. Understanding the amenability of the graphite at Springdale to convert to graphene or be used in battery and other technologies is an integral part of understanding and realising its commercial value.

Aircore/RC Drilling – An aircore / reverse circulation drill program is planned to commence in the last quarter of 2017 year. Comet is just waiting for crop removal. Comet has received funding approval from the Western Australian government for up to \$100,000 to assist with this work.

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. 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 E74/612 that make up Springdale project. The total land holding at Springdale is approximately 220 square kilometres.

Comet completed a successful first pass aircore drilling program in February 2016. This program confirmed that graphite was present in a prospective zone/horizon. Comet has now drilled 113 aircore holes for 2,901 metres and 20 diamond holes for 1,193 metres.

Comet discovered in April 2017 that graphene can be produced from Springdale graphite by electrical exfoliation. It is very rare for a graphite deposit to be able to produce graphene using the exfoliation method.

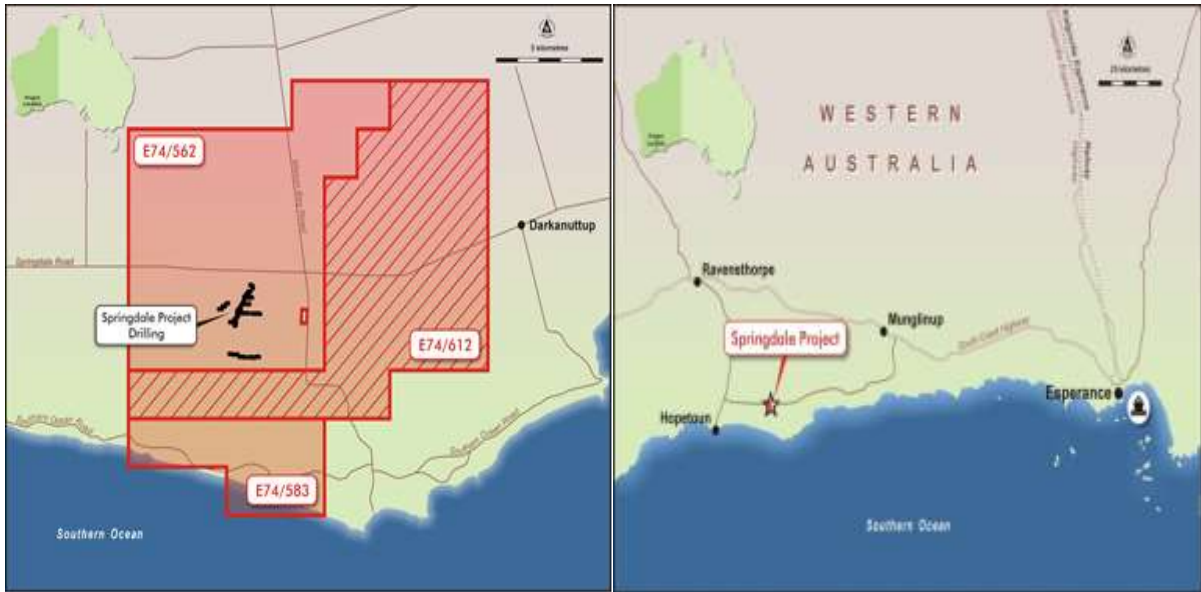


Figure 3: Plan showing location, tenements and area drilled to date.

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 \$1.6 million and has approximately 170.5 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.