12 December 2017

DRILLING HAS COMMENCED AT THE SPRINGDALE PROJECT.

- **A 5,000 metre RC drilling program has commenced;**
- **Drilling to test 5 high priority graphite targets;**
- **Target 1: Detailed drilling to test strike and dip extension to DH018 which intersected multiple high grade graphite zones including 9 metres at 30.2% TGC;**
- **Drilling will also test for cobalt and nickel mineralisation;**
- **Graphene metallurgical test work continues.**

SPRINGDALE PROJECT (100% CRL)

Comet Resources Ltd (**Comet**) (**CRL**) is pleased to announce the commencement of 5000 metres of reverse circulation (**RC**) drilling at the Springdale Graphite Project in Western Australia. This program will test **five high priority graphite targets** and a **cobalt and nickel target** identified by Southern Geoscience Consultants (**SGC**).

Target 1: This target contains 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 (high grade zone).** Planned drilling with test depth and strike extensions to these graphite intersections.

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 promising prospective structural setting that is now a priority drill target for Comet. 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.**

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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 powerful 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.

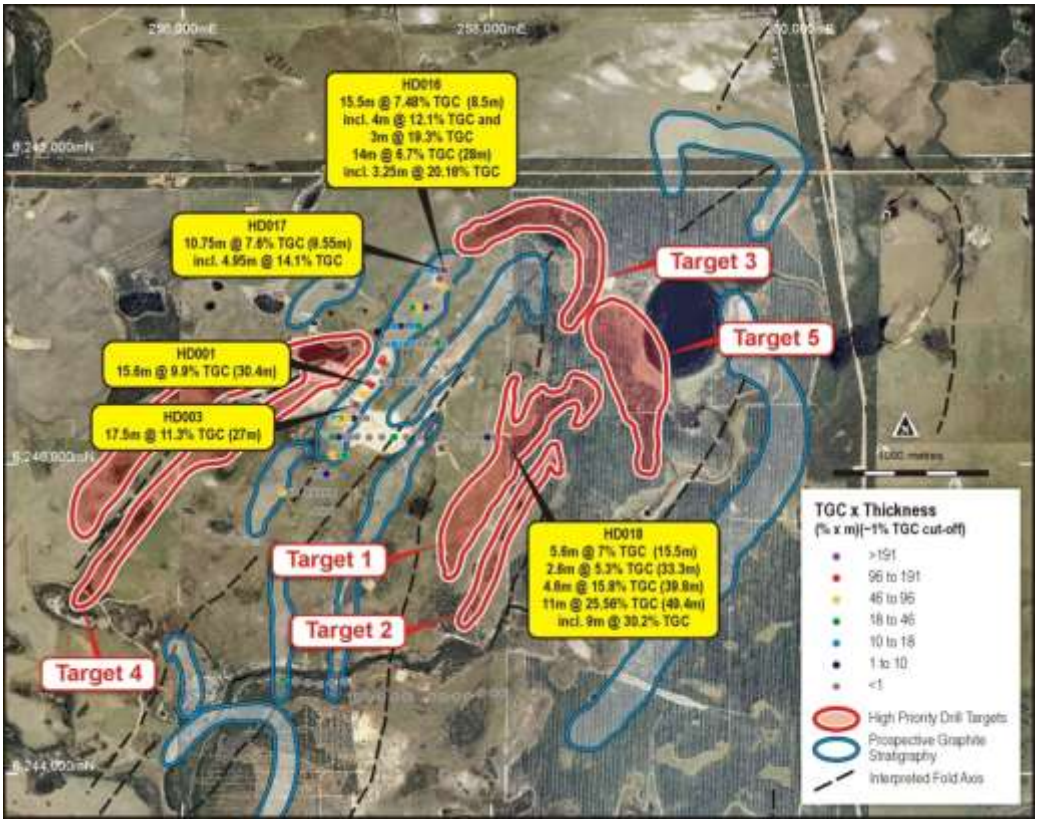

Figure 1: Map showing targets prospective for graphite mineralisation.

Comet has received funding approval from the Western Australian government for up to $100,000 to assist with this work.

Comet will also drill test a cobalt nickel target. This potential mafic-ultramafic target was identified by SGC and is located only 20 Kilometres south of the Ravensthorpe Nickel Mine (**RNM**) owned by First Quantum Minerals Ltd (**FQM**). RNM was discovered by Comet in 1996 and was sold to BHP Billiton in 2001 for $32 million. SGC has highlighted that the Springdale Project lies within the Albany-Fraser Orogen which hosts the Nova Nickel Project (Independence Group N.L.) approximately 340 km to the North East.

Figure 2: Map Showing Potential Mafic-Ultramafic Unit Prospective for Cobalt and Nickel Mineralisation.

Metallurgical testwork is progressing on qualitative processes and exploring other process routes in forming and extracting graphene from Springdale graphite. Updates are expected early next year.

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 972 metres. Springdale's highest grade intercept to date is **9 metres at 30.2%** TGC.

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.

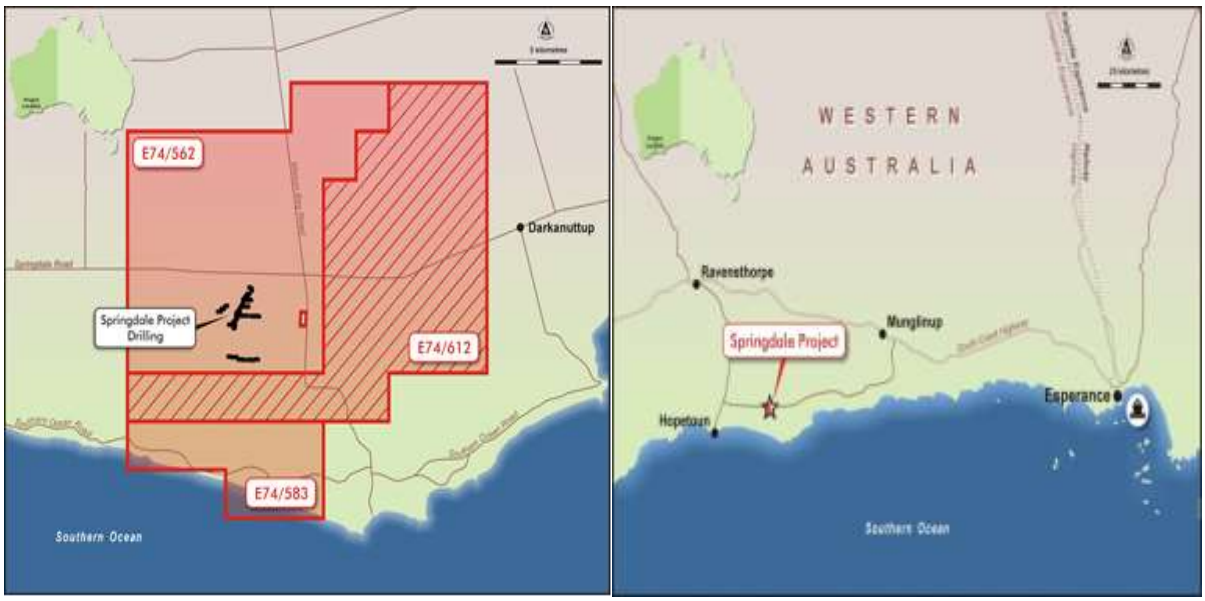

Figure 3: Plan Showing Location, Tenements and Area Drilled to date

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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 $1.4 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.