

February 9th 2017

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MORE SUCCESS AT THE SPRINGDALE GRAPHITE PROJECT

HIGHLIGHTS

- **Graphite mineralisation over 3 Kilometres of strike.**
- **At least 3 zones of graphite mineralisation identified.**
- **Graphite mineralisation is open along strike and at depth in all zones.**
- **High grade graphite mineralisation intersected in all zones.**
- **Highest 1 metre graphite intercepted to date 39.7% TGC.**
- **Selected significant intersections:-**

H0024 5m @ 7.8 TGC

H0047 6m @ 9.1 TGC

H0065 13m @ 10.9 TGC

H0082 2m @ 25.9 TGC (mineralised at EOH)

H0104 9m @ 7.3 TGC (mineralised at EOH)

H0113 17m @ 5.2 TGC

- **Follow up diamond and aircore drilling planned**

During September and October 2016 Comet Resources Ltd (ASX: CRL) (“**Comet**” or the “**Company**”) conducted a reconnaissance aircore drilling program at its 100% owed Springdale Graphite Project in the Great Southern region, approximately 30 km east of Hopetoun, Western Australia.

The program produced the highest 1 meter intersection to date of 39.7% Total Graphitic Carbon (TGC) in hole H0065 as part of a 13 meter intersection @ 10.9% TGC. This hole is on the most Northern drill line. Hole H0100 intersected 4 metre @ 6.6% TGC on the most Southern drill line. Hole H0082 intersected 5 meters @ 4% TGC and

2 meters @ 25.9% TGC in the last two metres of that hole. This is the most Eastern hole drilled. (Figure 1)

Three zones of graphite mineralisation have been identified. Each zone reported high grade graphite (+15% TGC). There are several graphite horizons within each zone. Graphite has been detected in holes H0065 and H0100 approximately three kilometres apart but these appear to be on two different zones. (Figure 6)

The program achieved its designed purpose demonstrating the continuity of graphite mineralisation over several kilometres of strike. The mineralisation is still open along strike and at depth in all zones. Further Diamond and aircore drilling is planned to commence early 2017.

A total of 103 aircore holes were drilled for 2,577 metres. A total of 44 holes had graphite mineralisation logged in them. Logged graphite samples were submitted to ALS Minerals for analysis of Total Graphitic Carbon.

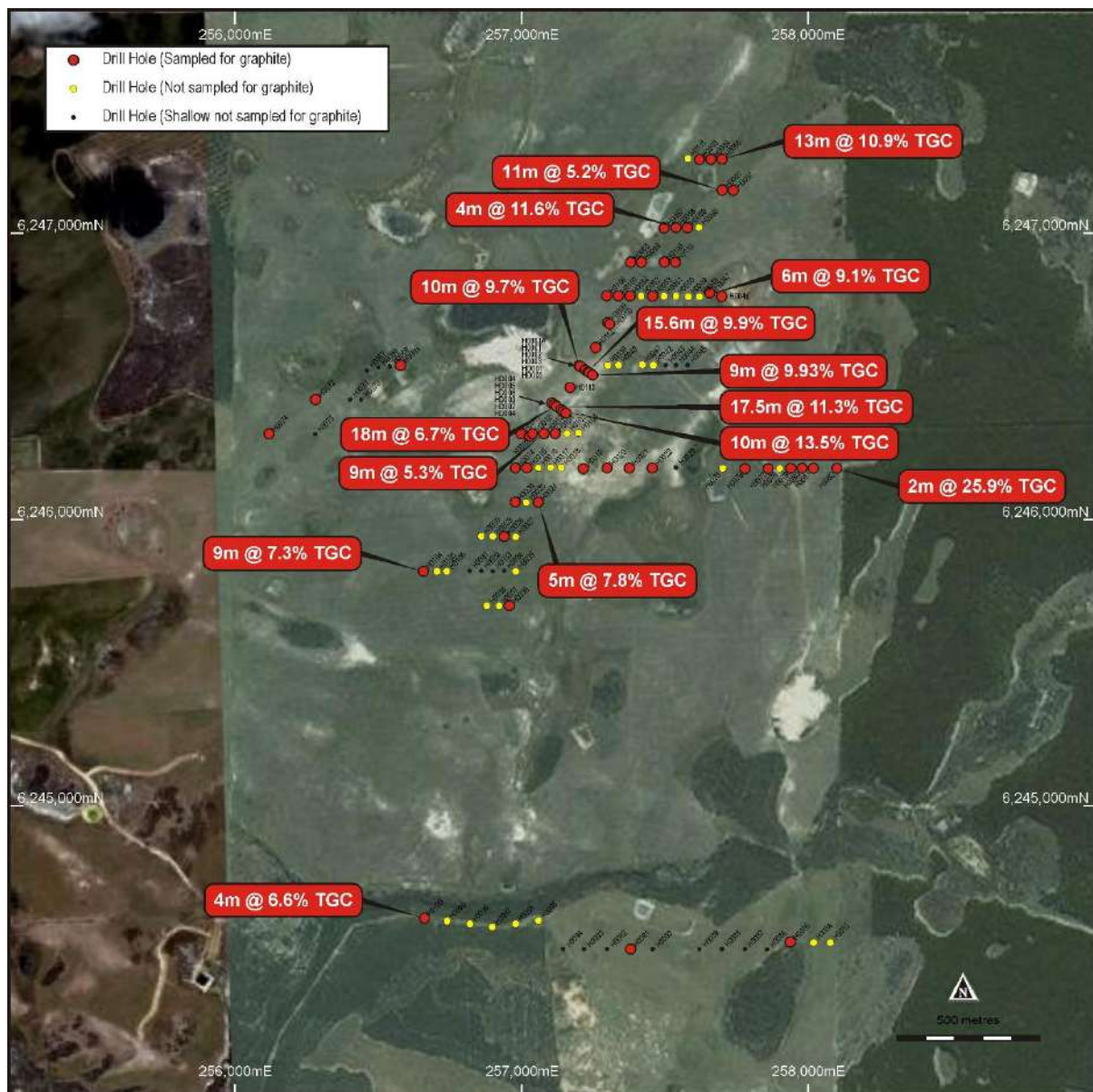


Figure 1: Plan showing selected intersections

Comet's diamond drilling in September 2016, near aircore holes from the February 2016 program, reported significantly higher graphitic grades than reported in aircore holes. It has been proposed that the samples produced from aircore drilling, with the high water flow rates experienced at the Springdale Project, may have graphite washed from the collected sample (graphite can float on water) (**figure 2**). This would lower the amount of graphite collected in a sample. Therefore, you would expect a lower reported grade from aircore drilling than the actual in ground grade or a diamond drill hole which would be reporting the correct in ground grade (**figure 3 and 4**). Further work is continuing on this with diamond drill holes planned to twin aircore holes during the next phase of drilling. However as a reconnaissance tool to locate the graphite mineralisation aircore is still considered to be the best drilling method.



Figure 2: Picture showing aircore drilling and water flow

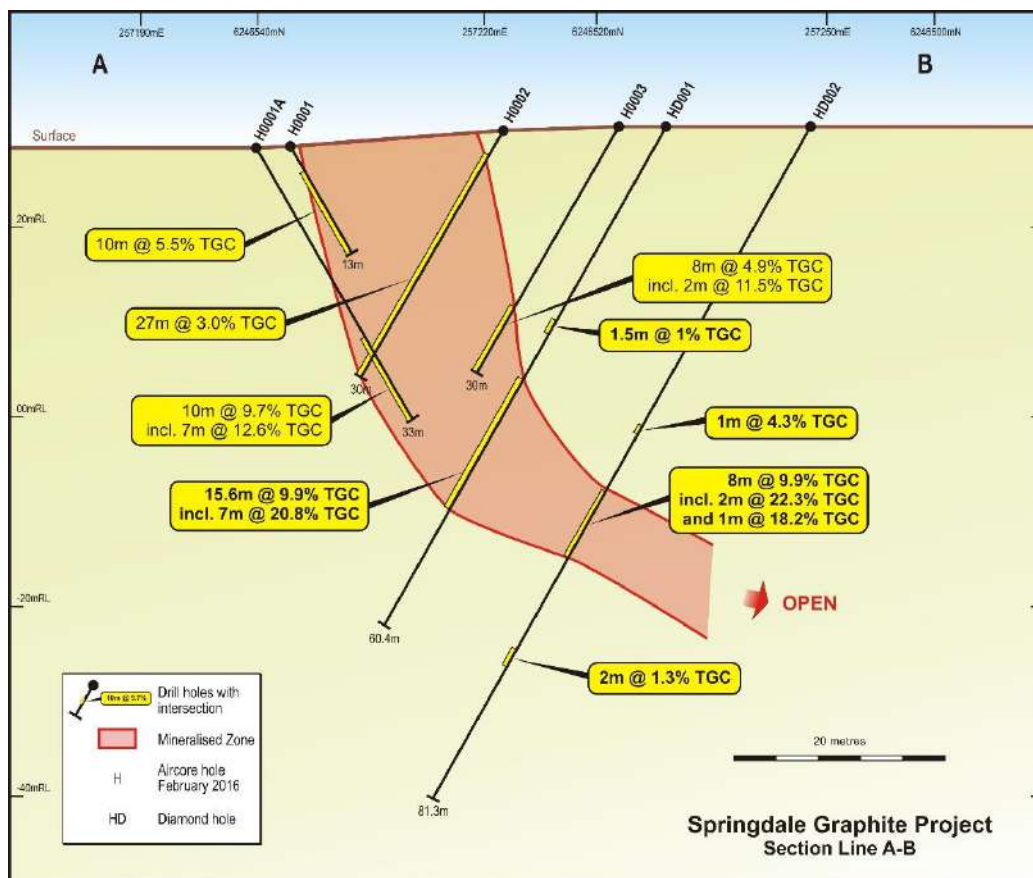


Figure 3: Section showing diamond holes HD001 and HD002 and aircore comparison grades

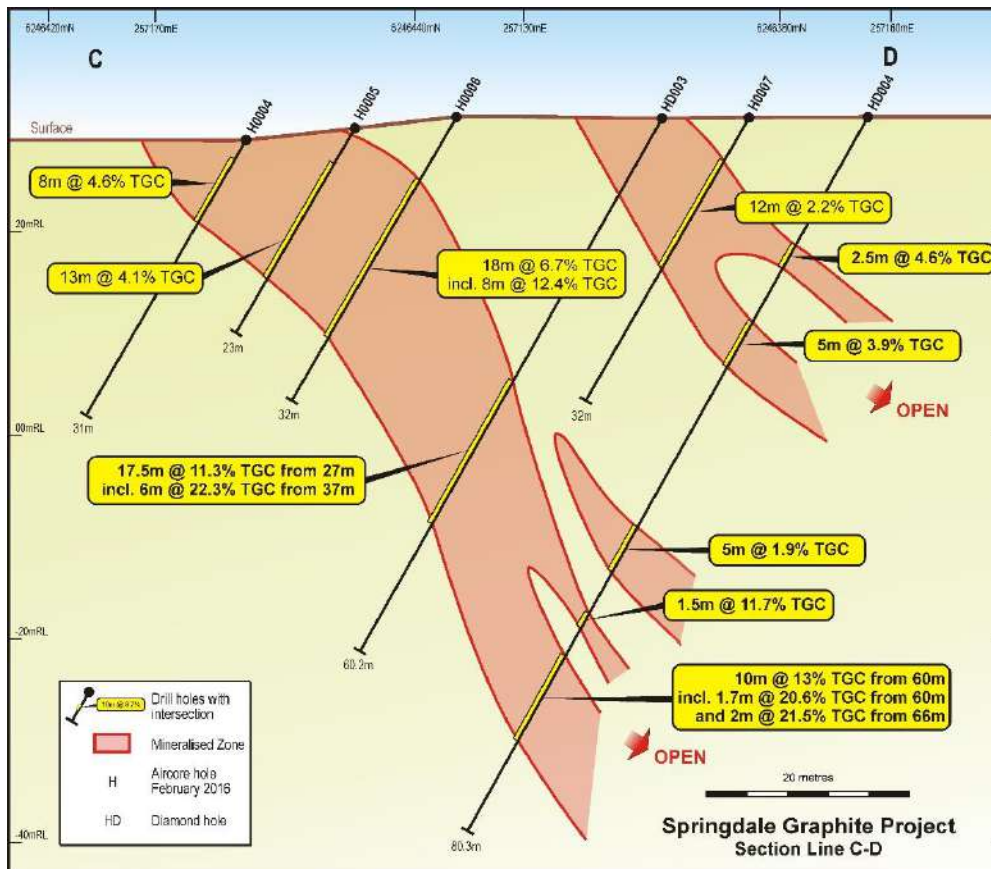


Figure 4: Section showing diamond holes HD003 and HD004 and aircore comparison grades

Further information on these intersections can be obtained from ASX release *Diamond drilling intersects high grade graphite*, 2nd November 2016.

Metallurgical test work is continuing on three bulk composite “type” samples with grades ranging from 10% to 20% TGC. A mix from diamond drill holes HD001 and HD002 was used for sample 1 and 2 and sample 3 was made from DH004.



Figure 5: Floating graphite from Sample 2

Results from this and other test work will be available over the next few months.

A diamond and aircore drilling program has been scheduled for early 2017. This is designed to test targets defined from the aircore program and extend strike and depth of mineralisation.



Figure 6: Interpreted Graphite Zones

Reconnaissance aircore holes in this current program were drilled vertically at 40 or 80 meter spacing on 160 meter or wider spaced lines. Holes were generally stopped at 30 meters. Some areas were not drilled due to standing water from the high rain fall recorded this year. Also some holes were not drilled to depth due to ground conditions (poor penetration). Drilling contractor ONQ Exploration Solutions used an Edson 200 with 400/200 compressor and 90mm aircore bit to conduct the aircore drilling.

All Significant Intersections (+1% TGC) to Date:

Hole Number	From (m)	To (m)	Intersection (m)	Grade % TGC
H01	3	13*	10	5.5
H01A	23	33*	10	9.7
Including	26	33*	7	12.6
H02	3	30	27	3
H03	22	30*	8	4.9
Including	28	30*	2	11.5
H04	2	10	8	4.6
H05	4	17	13	4.1
H06	7	25	18	6.7
Including	16	24	8	12.4
H07	5	17	12	2.2
H08	17	21	4	7.6
Including	18	19	1	24
H09	1	22	21	3.2
H10	6	31	25	4
H0011	6	17	11	1.3
H0013	21	30	9	5.3*
H0014	3	5	2	1.9
H0014	12	14	2	7.5
H0015	27	28	1	1.4
H0021	3	11	8	2.9
H0024	17	22	5	7.8
H0026	1	14	13	2.8
H0026	24	30	6	2.7*
H0028	5	9	4	0.9
H0047	6	12	6	9.1
H0053	23	24	1	4.5
H0053	28	32	4	2.7
H0054	22	27	5	2.0
H0055	8	14	6	1.7
H0056	34	35	1	2.5
H0057	5	16	11	1.8
H0058	17	21	4	2.3
H0059	23	24	1	1.4
H0061	9	20	11	5.2
H0063	26	34	8	1.3
H0064	16	19	3	4.0
H0065	7	20	13	10.9
H0080	4	6	2	2.5

Hole Number	From (m)	To (m)	Intersection (m)	Grade % TGC
H0082	8	13	5	4.0
H0082	28	30	2	25.9*
H0100	17	21	4	6.6
H0101	27	29	2	1.2
H0104	27	36	9	7.3*
Including	29	32	3	18.2
H0109	20	23	3	4.2
H0110	15	19	4	1.2
H0110	29	36	7	2.4
H0113	5	22	17	5.2
H0113	14	22	8	7.0
H0113	38	39	1	1.2
HD001	30.4	46	15.6	9.9
Including	31	38	7	20.8
HD002	44	53	9	9.9
HD003	27	45	17.5	11.3
including	37	43	6	22.3
HD004	55.5	57	1.5	11.7
HD004	60	70	10	13
* End of hole. Orange shading aircore holes from current program.				

Further information on these intersections can be obtained from ASX release *Springdale Project delivers new graphite discovery in WA*, 6th April 2016 and *Diamond drilling intersects high grade graphite*, 2nd November 2016.

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-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 has three tenement's E74/562, E74/583 and ELA74/612 at the Springdale Graphite 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 4 diamond holes for 282 metres at its 100% owned Springdale Graphite Project.

Comet is currently conducting metallurgical tests on diamond core from Springdale Graphite Project and plans to conduct further diamond drilling in early in 2017.

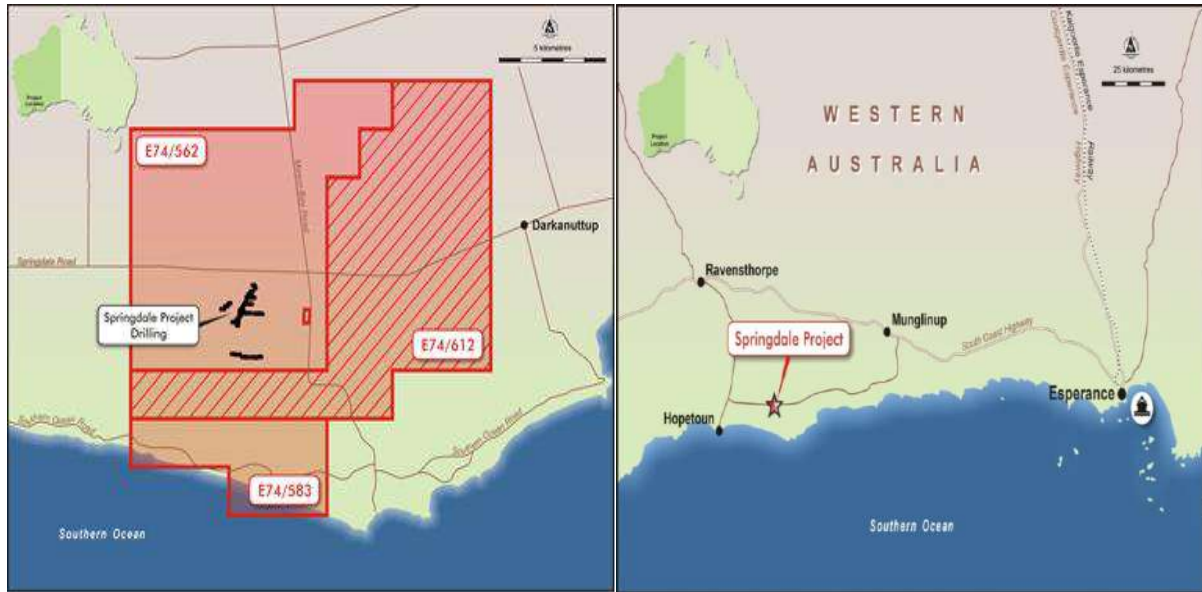


Figure 7: Plan Showing Location, Tenements and Area Drilled

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 \$1.1 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

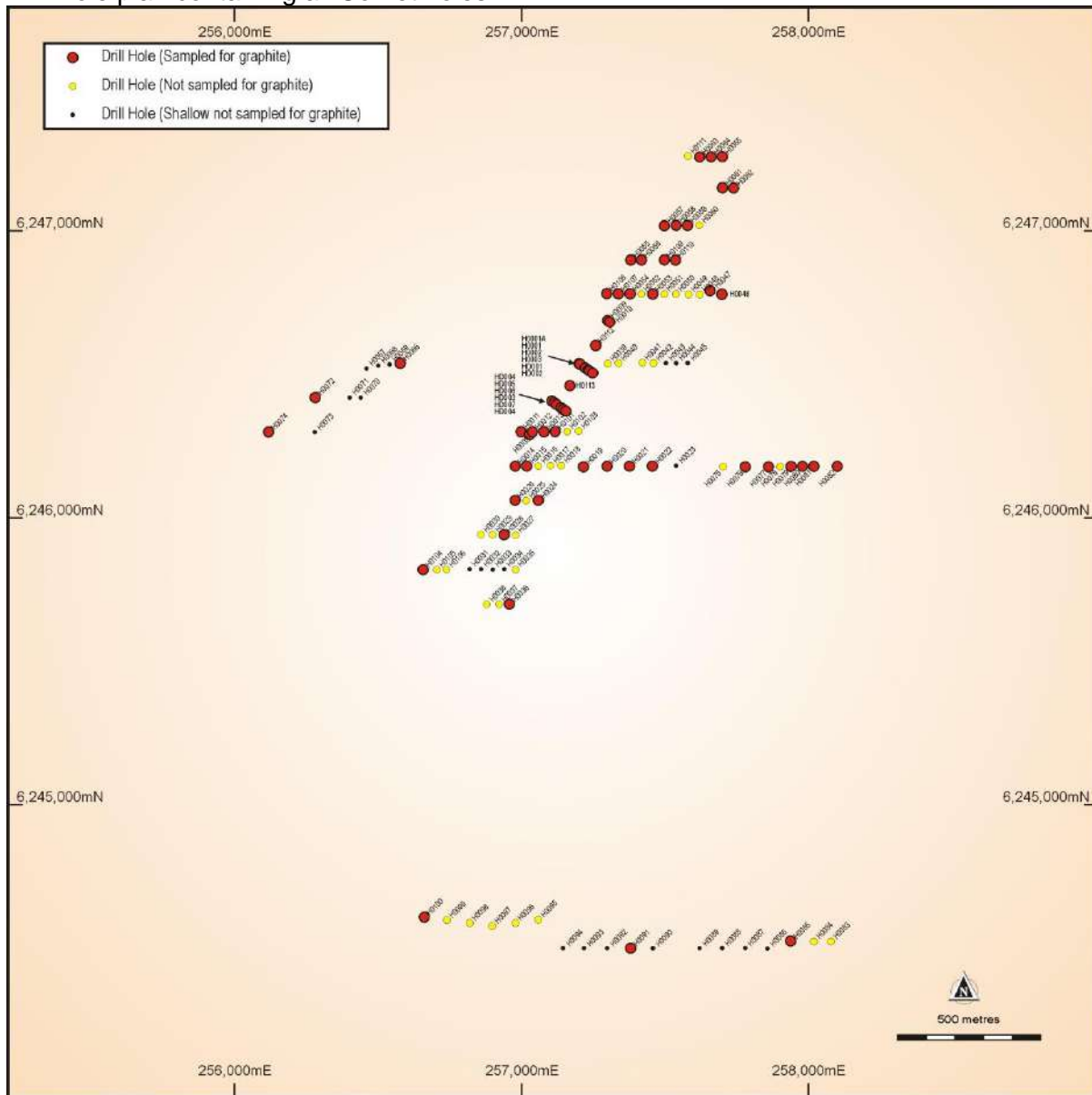
Criteria	Explanation
<i>Sampling techniques</i>	Aircore drilling produced samples that were collected at one-metre intervals using a cone splitter to produce an approximate three kilogram sample, which is considered representative of the full drill metre. This is considered to be an industry standard. Sampling was guided by qualified field personnel. Only sample that contained visible Graphite were submitted to ALS Laboratories Perth. Samples were analysed for Graphitic Carbon with selected Au and basemetal analyses
<i>Drilling techniques</i>	Springdale drill program comprised 103 aircore drill holes, which were completed by ONQ Exploration Solutions using an Edson 200 rig with 400/200 compressor with a 90mm aircore bit.
<i>Drill sample recovery</i>	Overall recoveries were good. Insufficient drilling and geochemical data is presently available to evaluate any potential sample bias. Many wet sampling were reported. A problem may exist with loss of graphite due to high water flows during drilling.
<i>Logging</i>	Geological logging of the drill chips were recorded for all holes, including lithology, mineralogy, grainsize, texture, weathering, oxidation, colour and other features of the samples. Drill chips were not logged to any geotechnical standard and the data is insufficient to support Mineral Resource estimation at this stage. Logging of aircore drill chips is considered to be semi-quantitative given the nature of rock chip fragments and the inability to obtain detailed geological information. The drill holes were logged in full to the end of the hole.
<i>Sub sampling techniques and sample preparation</i>	All one-metre splits from the drill holes were passed through a cone splitter to produce a 15% split for assaying. Check or repeat samples have been submitted for analysis. Field logging was used to determine if a sample contained graphite. Samples that contained graphite were 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 Perth WA. 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 C-IR18 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. 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 GNSS receivers. The GPS recorded locations used the WGS 84 and accuracy is limited to sub 1 metre.
<i>Data spacing and distribution</i>	103 Aircore shallow holes were completed. The spacing between these holes varied as indicated by the drill location imaged 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 the comets drilling was designed to test the target zone and 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 against field manifests and loaded into plastic bags for transportation to ALS sample preparation in Perth WA by Comet staff. Given the initial phase of exploration, combined with the limited number of field staff involved, the 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"> a) Archaean style gold, nickel copper mineralisation in remnant greenstone and reworked Yilgarn Craton rocks; and b) Graphite mineralisation within metamorphosed Archaean granitic and sedimentary rocks.
<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% TGC) has been included in extended intervals. Higher grade intercepts use a cut-off of 5% 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 and at the end.
<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.

Drill hole plan containing all Comet holes



Drill collar table

Hole Number	MGA94E (m)	MGA94N (m)	Azimuth (deg)	Collar RL (m)	Depth (m)
H0011	256999	6246300	-90	29	30
H0012	257038	6246300	-90	30	33
H0013	257078	6246300	-90	31	30
H0014	256978	6246179	-90	29	30
H0015	257018	6246180	-90	30	30
H0016	257058	6246181	-90	30	30
H0017	257100	6246181	-90	31	30
H0018	257137	6246183	-90	31	30
H0019	257216	6246177	-90	29	30
H0020	257299	6246179	-90	27	30
H0021	257377	6246179	-90	26	26
H0022	257457	6246180	-90	25	30
H0023	257539	6246181	-90	24	11
H0024	257058	6246061	-90	29	30
H0025	257016	6246061	-90	29	26
H0026	256977	6246061	-90	29	30
H0027	256979	6245941	-90	28	26
H0028	256939	6245941	-90	28	22
H0029	256900	6245941	-90	28	12
H0030	256858	6245941	-90	28	28
H0031	256819	6245821	-90	30	17
H0032	256859	6245821	-90	30	16
H0033	256899	6245820	-90	29	11
H0034	256939	6245821	-90	29	12
H0035	256978	6245820	-90	28	30
H0036	256958	6245699	-90	29	24
H0037	256920	6245699	-90	29	30
H0038	256878	6245699	-90	30	24
H0039	257300	6246538	-90	29	30
H0040	257337	6246539	-90	28	30
H0041	257420	6246540	-90	28	30
H0042	257459	6246539	-90	29	30
H0043	257504	6246540	-90	29	10
H0044	257539	6246539	-90	29	12
H0045	257580	6246539	-90	29	11
H0046	257699	6246779	-90	31	22
H0047	257657	6246792	-90	33	23
H0048	257620	6246779	-90	30	30
H0049	257581	6246779	-90	30	29
H0050	257537	6246779	-90	29	25
H0051	257496	6246780	-90	27	30

Hole Number	MGA94E (m)	MGA94N (m)	Azimuth (deg)	Collar RL (m)	Depth (m)
H0052	257416	6246780	-90	27	30
H0053	257458	6246780	-90	27	36
H0054	257379	6246781	-90	27	30
H0055	257381	6246899	-90	26	30
H0056	257418	6246899	-90	26	36
H0057	257499	6247018	-90	26	30
H0058	257539	6247019	-90	26	30
H0059	257579	6247019	-90	26	30
H0060	257619	6247020	-90	26	30
H0061	257701	6247151	-90	26	33
H0062	257740	6247150	-90	26	30
H0063	257620	6247258	-90	27	39
H0064	257661	6247258	-90	26	30
H0065	257700	6247259	-90	26	30
H0066	256577	6246539	-90	29	30
H0067	256459	6246521	-90	27	12
H0068	256501	6246531	-90	27	7
H0069	256540	6246535	-90	28	11
H0070	256440	6246418	-90	29	14
H0071	256400	6246419	-90	28	5
H0072	256281	6246419	-90	27	20
H0073	256279	6246298	-90	30	13
H0074	256119	6246299	-90	28	12
H0075	257702	6246178	-90	23	30
H0076	257780	6246178	-90	24	30
H0077	257861	6246177	-90	27	30
H0078	257900	6246179	-90	28	30
H0079	257940	6246179	-90	28	30
H0080	257980	6246179	-90	29	6
H0081	258019	6246179	-90	28	12
H0082	258101	6246179	-90	29	30
H0083	258077	6244525	-90	18	30
H0084	258018	6244524	-90	16	30
H0085	257939	6244525	-90	15	28
H0086	257858	6244499	-90	16	23
H0087	257780	6244500	-90	16	15
H0088	257699	6244500	-90	17	12
H0089	257621	6244500	-90	16	10
H0090	257459	6244499	-90	16	21
H0091	257380	6244499	-90	18	30
H0092	257299	6244499	-90	19	25

Hole Number	MGA94E (m)	MGA94N (m)	Azimuth (deg)	Collar RL (m)	Depth (m)
H0093	257218	6244500	-90	20	10
H0094	257145	6244500	-90	20	7
H0095	257059	6244601	-90	13	30
H0096	256978	6244588	-90	12	30
H0097	256898	6244578	-90	13	30
H0098	256819	6244589	-90	10	22
H0099	256739	6244599	-90	11	19
H0100	256661	6244608	-90	14	30
H0101	257118	6246301	-90	31	30
H0102	257157	6246301	-90	31	19
H0103	257198	6246302	-90	31	30
H0104	256657	6245819	-90	32	36
H0105	256704	6245820	-90	31	30
H0106	256738	6245820	-90	30	24
H0107	257338	6246781	-90	28	30
H0108	257297	6246781	-90	27	23
H0109	257498	6246899	-90	26	30
H0110	257537	6246898	-90	27	36
H0111	257579	6247261	-90	27	30
H0112	257259	6246600	-90	30	30
H0113	257169	6246461	-90	30	41