

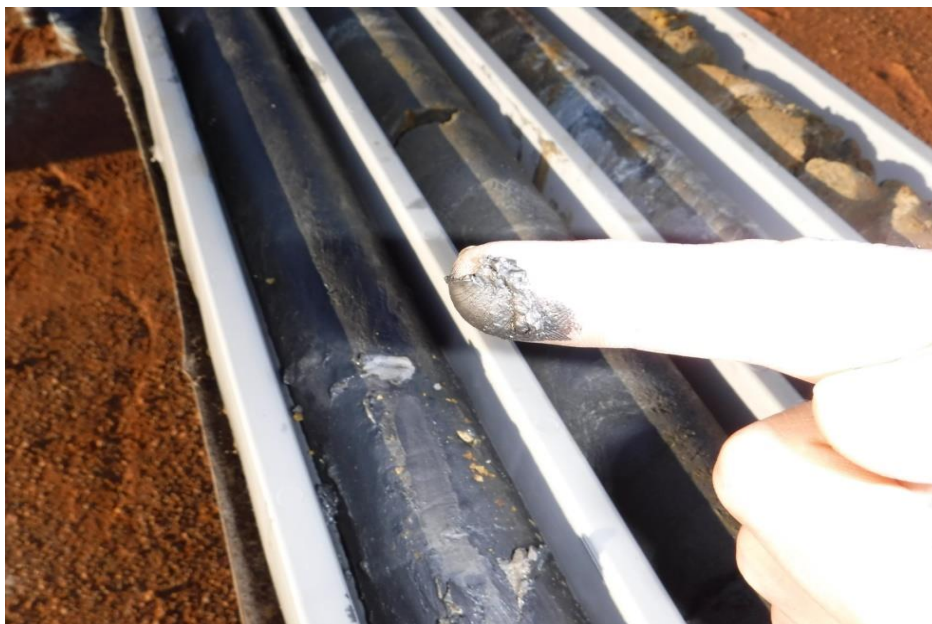
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SUCCESSFUL DRILLING PROGRAM COMPLETED AT THE SPRINGDALE GRAPHITE PROJECT

SPRINGDALE PROJECT, WESTERN AUSTRALIA (100% CRL)

- **Completed drilling to define strike extension of newly discovered graphite zone.**
- **Completed diamond drilling for metallurgical test work samples.**
- **Completed drilling to test other prospective graphite zones.**
- **Graphite logged in all diamond holes and 40 aircore holes.**
- **Initial results pending**



Diamond core from Springdale

Comet Resources Ltd (ASX: CRL, "Comet" or the "Company") is pleased to announce the successful completion of the current Springdale graphite drilling program. The program consisted of 4 HQ diamond drill holes for 282 metre and 103 aircore holes for 2,577 metres. The program tested Comet's newly discovered graphite zone to determine the strike distance and orientation and other prospective graphite zones.

All four Diamond holes intersected graphite mineralisation with widths over 10m (to be confirmed by assaying) All holes are currently in the laboratory for core cutting and sampling. The diamond drill holes tested dip and obtain samples that will be used for metallurgical test work.



Diamond Core Hole 1



Diamond Core Hole 2



Diamond Core Hole 3



Diamond Core Hole 4



Aircore drilling from the current program

The aircore drilling program has just been completed. **Graphite has been logging in 40 holes** (to be confirmed by assaying). Site clean-up and sample collection and transportation will be completed over the following weeks. This program tested strike extensions to the discovered graphite zone and other graphite zones.



Google Earth Image showing the exploration program.

A few holes tested for Gold and Nickel mineralisation over the inferred Springdale Greenstone Belt. This unexplored remnant Archaean greenstone belt is located within the deformed Albany-Frazer Orogen on the southern margin of the Yilgarn Craton. The discovery of the Tropicana gold deposit has highlighted the prospectivity of reworked parts of greenstone along the Yilgarn Craton margins

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.