

28th January 2016

The Company Announcements Office
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Highlights

- **Compensation agreement with key farm holding for Springdale Graphite Project negotiated.**
- **Drilling to commence in March quarter at Springdale Graphite Project.**

Dear Sir/Madam

DECEMBER 2015 QUARTER ACTIVITIES REPORT

Comet continues to review new projects and technology opportunities, as well as evaluate its 100% owned projects. Comet is continually evaluating opportunities to acquire prospective ground.

SPRINGDALE GRAPHITE PROJECT (100% CRL)

The Springdale exploration licence E74/562 is a 40 Gaticule block licence located about 30 km east of Hopetoun. The tenement lies in the Albany Fraser Orogen which hosts the Munglinup Graphite Deposits near Munglinup (50km from the Springdale Project), an area that has produced the bulk of Western Australia's Graphite. These Munglinup deposits hosts Graphite grain sizes ranging from amorphous to coarse grained flakes up to 10 mm in length.* Comet believes its project is prospective for Graphite mineralisation and lies in a similar geological setting.

*From GSWA Mineral Resources Bulletin 26, Graphite in Western Australia by J Michael Fetherston, 2015

A site visit was conducted last June 2015 to discuss land access with local farmers. During the trip two rock samples were collected from within the tenement area.

Sample No	Graphitic Carbon %	Northing m	Easting m
SDC001	12.2	6246769	257635
SDC002	7.18	Not in-Situ	Not in-Situ

SDC001 (51H 6246769mN 257635mE) was collected from an outcrop of graphitic material observed in the eastern face of a shallow gravel pit (about 1.5m deep). The sample was assayed by SGS (Result 12.2% Graphitic Carbon (**Grap-C**)).

The land holder reported that a black rock was observed in the bottom of the Calcrete pit several 100 metre long (depth of pit approximate 2 metres) mined several years ago by the land holder. This pit has now been rehabilitated. A few samples of this material were located in the area where this black rock and Calcrete was stockpiled. A sample was collected SDC002 and was assayed by SGS (Result 7.18% Grap-C this sample is not in-situ).



Photograph of area where the stockpile sample SDC002 was removed from before pit was rehabilitated.

A Land access agreement has been negotiated over the key land holding and a drilling program to test the discovered Graphite zone is planned this quarter.

GILMORE PROJECT EL8282 (100% CRL)

The Gilmore Project is a 75 unit exploration licence located 80km west of Canberra in New South Wales. The Project constitutes an attractive target for gold and base metal mineralisation due to the presence of a Silurian volcano-sedimentary sequence, located close to a major regional thrust fault zone (the Gilmore Suture). The Gilmore Suture is a controlling focus for major gold deposits including Sovereign Gold Ltd.'s Mount Adrah (located approximately 30kms away along the Gilmore Suture), Adelong, Temora, Gidginbung, West Wyalong, Lake Cowal, and Mineral Hill. Widespread gold and base metal geochemical responses within the Project area also contribute to the potential of this Project.

Further interpretation of results and deposit type modelling will be undertaken with more detailed sampling over the North Main Ridge Prospect during 2016 to help in the design of an exploratory drilling program.

EXPLORATION EXPENDITURE INCURRED

Exploration expenditure incurred by Comet during the quarter ending 31 December 2015 on projects is set out below.

Project	Expenditure Incurred
Gilmore Project	\$0
Springdale Project	\$28,000

MINING TENEMENTS STATUS

Mining tenements held at the end of quarter		
Project and location	Interest	Tenement
Gilmore Project, Tumut NSW	100%	EL 8282
Springdale Project, Hopetown WA	100%	E74/562
Bells Find, 10km west Southern Cross	25%	M74/1055

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 \$1.2 million and has approximately 87 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 20 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.