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MARCH 2016 QUARTER ACTIVITIES REPORT

Highlights

- **Springdale Project delivers new graphite discovery.**
- **Intersections include:-**

  10 metres @ 9.7% Grapitic Carbon from 23 metres including 7 metres at 12.6% Grapitic Carbon from 26 metres. Hole stopped in mineralisation.

  8 metres @ 4.9 % Grapitic Carbon from 22 metres including 2 metres at 11.5% Grapitic Carbon from 28 metres. Hole stopped in mineralisation.

  18 metres @ 6.7 % Grapitic Carbon from 7 metres including 8 metres at 12.4% Grapitic Carbon from 16 metres.

  4 metres @ 7.6% Grapitic Carbon from 17 metres including 1 metre at 24% Grapitic Carbon from 18 metres.

  25 metres at 4.0% Grapitic Carbon from 6 metres.

- **All holes intersecting graphite mineralisation over 500 metre of strike, zone open at depth and along strike.**
- **Freehold land with sealed road 20 km away and access to port facilities within 150km.**

Dear Sir/Madam

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 34 Graticule block Springdale exploration licence E74/562 (100% Comet) is located about 30 km east of Hopetoun. 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 tenement is over freehold land with sealed road access 20km away. The project is approximately 150km from the port of Esperance.

During February Comet conducted a first pass aircore drilling program. A total of 11 holes for 324 metres were completed. This program tested that graphite was present in a prospective zone/horizon detected from unpublished and verbal reports of graphite mineralisation encountered in shallow calcrete/limestone drilling and extractive industry operations at the project. All 11 holes intersected graphite mineralisation over approximately 500 metres of strike with a shallow dip to the east. Significant intersections from this drilling include:-

H01A: 7 metres at 12.6% Graphitic Carbon from 26 metres to end of hole (EOH);
H03: 2 metres at 11.5% Graphitic Carbon from 28 metres to end of hole (EOH);
H06: 8 metres at 12.4% Graphitic Carbon from 16 metres;
H08: 1 metre at 24% Graphitic Carbon from 18 metres;
and H10: 25m at 4% Graphitic Carbon from 6 metres.

The program was not designed to test the full sequence or mineralisation at depth but as a proof of concept with a number of holes ending in mineralisation. As a general observation higher grades were observed when samples became less weathered with H01A 5 metres @ 12.6% from 28 metres to EOH, H03 2 metres at 11.5% Graphitic Carbon from 28 metres to EOH and H06 8 metres @ 12.4% Graphitic Carbon from 16 metres and H10 with two 1 metre intersection of 12% Graphitic Carbon at 25 and 29 metres. The highest grade sample returned was 24% Graphitic Carbon in H08 from 18 metres and the widest intersection was 27 metres @ 3% Graphitic Carbon in hole H02 from 3 metres.

The mineralisation discovered in this program is open along strike and at depth. A number of samples will now be selected for further analysis to determine flake size and distribution.

There are three more prospective zones/horizons that have been identified by rock chip sampling and unpublished and Verbal reports of graphite mineralisation encountered in shallow calcrete/limestone drilling and extractive industry operations at the Springdale Project (rock chip SDC001 (51H 6246769mN 257635mE) collected from an outcrop of graphitic material observed in the eastern face of a shallow gravel pit about 1.5m deep and graded 12.2% Graphitic Carbon (reported in June 2015 ¼ report)). These zones/horizons are to be evaluated when the next exploration program is designed.

Flake size analysis is currently being conducted on selected samples by Townend Mineralogy Laboratory and the next phase of exploration is being planned.

Intersections:

Hole Number	From (m)	To (m)	Intersection (m)	Grade %
H01	3	13*	10	5.5
H01A	23	33*	10	9.7
including	26	33*	7	12.6
H02	3	30	27	3.0
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	24.0
H09	1	22	21	3.2
H10	6	31	25	4.0
* End of hole				

Drilling at the Springdale Project

The Springdale Project also overlies an unexplored remnant Archaean greenstone belt within the Archaean Munglinup Gneiss. The greenstone belt (Jerdacuttup 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.

The discovery of the Tropicana gold deposit has highlighted the prospectivity of reworked parts of mineralised terranes along the Yilgarn Craton margin. The Jerdacuttup Greenstone Belt constitutes a remnant belt within reworked Yilgarn Craton. The discovery by Comet of weakly gold mineralised in banded iron formation subcrop (rockchip HR001: 10ppb Au (51H 6244520mN 257220mE), within the area greatly enhances mineral prospectivity for Archaean style gold mineralisation and suggest cover is minimal. The next phase of exploration will also include some regional work over the Jerdacuttup greenstone belt.

Background data on this exploration can be found in Comet's April 5th 2016 Announcement

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.

Sampling at the Gilmore Project has identified the Main Ridge North Prospect as a priority gold target. Gold assays recorded at Main Ridge North indicate an anomalies gold zone over 800m of strike with several +1g/t Au rockchip grades (max. 4.49 g/t), all of which are hosted by sulphidic (oxidised), quartz stockwork-veined psammite, quartz porphyry and felsic breccia. Magnetic inversion modelling has highlighted a northeast trending structural corridor (1-2km wide), extending from the Gilmore Fault Zone to the Dog Trap Creek Prospect, along which intrusive bodies appear to have been emplaced. Some of these bodies have moderate to deep depths of burial. However, one body appears to persist to near-surface levels at Main Ridge North. Rock chip point and composite traverse sampling has revealed anomalous Mo, Bi and Sb geochemistry associated with gold mineralisation in this area. The geochemical signature may be indicative of a proximal style of intrusive related gold system (IRGS). Background information on this exploration is included in the 2015 September ¼ report.

A program to determine the best location to test drill the Main Ridge North Prospect is being planned

EXPLORATION EXPENDITURE INCURRED

Exploration expenditure incurred by Comet during the quarter ending 31 March 2016 on projects is set out below.

Project	Expenditure Incurred
Gilmore Project	$6,000
Springdale Project	$34,000

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.million, 0.5 million Ferrowest shares and has approximately 90 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.