

30th April 2010  
The Company Announcements Office  
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Dear Sir/Madam



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## **MARCH QUARTER ACTIVITIES REPORT**

### **Highlights**

#### **Drilling Completed at Kerr's Creek**

##### **Results include:**

**K05 10m @ 1.22% Zn and 3.4% Mn**

**K25 4m @ 9.9%.Mn**

#### **Corporate**

The Company currently has cash reserves of approximately \$1.95 million. In addition Comet holds 5.7 million shares in Ferrowest Limited (ASX Code: FWL). Your Company continues to search for and evaluate new opportunities.

#### **New South Wales Projects**

##### **Kerr's Creek Project (100% Comet)**

The initial, broad spaced Reverse Circulation drilling programme has confirmed that the area has interesting levels of zinc, manganese and gold. Thirty one holes were completed for 1,642 metres. A hole collar table is attached.

The drilling showed that the area is geologically complex, appearing to cover a broad shear zone, accompanied by quartz veining. The regional geology has

been intruded by porphyry. The geological environment has been well prepared to host mineralisation.

### Drilling at Kerr's Creek



## Results

### Pigment North area

This area was traversed by a single line of 10 holes over a defined Zinc anomaly in soils. Holes intersected a geological sequence with the main units being felsic Volcanics, Limestone/marl and Diorite. The best intersection was in K05 with 10m @ 1.22% Zinc and 3.4% Manganese from 25 metres. This mineralisation is hosted in the felsic volcanics close to a limestone/marl contact.

Other results include  
K09 1m @ 0.29g/t Au from 43m

### East Calula area

Two drill lines and a total of 18 holes traversed the East Calula Gold workings. The geology was complex with deformation in the Volcanics and Shale units intruded by Porphyry's. The contacts often contained quartz veining and sporadic gossan/sulphide development. A sample taken from a slag dump located in this

area assayed a 0.2g/t Au. Best gold result was 4m @ 0.06g/t Au from 36m in K18.

The drilling intersected several zones of Manganese with the best result being K25 4m @ 9.9% Mn from 54m.

Other results include

K25 1m @ 10.3% Mn from 62m

K26 6m @ 2.8% Mn from 29m

### **Other Drilling**

Near the East Calula area the volcanic/sedimentary contact was tested near a large unexplained regional magnetic high which appears to influence the regional geological trend. 3 holes were required to find the contact due to several metres of cover. K31 was drilled from sedimentary Shales into a Chert and Volcanic unit. This hole (K31) intersected anomalous gold mineralisation with the highest 1 m intersection being 0.61g/t Au from 36m. This hole also contained 10m @ 0.09g/t Au from 9m and several other low grade anomalous gold zones.

The significance of the drill results and the available geophysical data are being assessed in planning follow up work.

### **Murrumbateman Project (100% Comet)**

A soil sampling programme was completed over the target area where a 0.5ppm gold rock chip sample was taken. Results of the soil sampling have been assessed and no anomaly was detected.

### **Environmental Oil Solutions (A wholly owned subsidiary)**

Further waste oil samples have been treated from sites in Eastern Australia. These were initial samples of 20 litres of industrial gear oil.

COM001 was successful in degrading these oils over a period of 4 weeks. The work was carried out at Flinders University's Environmental Biotechnology Department.

Discussions are now underway to do further testwork on potential commercial waste remediation in Eastern Australia.

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 \$1.9 million, 5.7 million Ferrowest shares and has approximately 68 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 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 2004 edition of the "Australian Code for Reporting of 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.*

Hole Collar Table

HOLE	TYPE	MGA94_E	MGA94_N	AHD_COLL	DIP	AZIMUTH	DEPTH	PROSPECT NAME
K01	RC	690040	6340495	755	-60	258	52	Pigment North
K02	RC	690077	6340490	753	-60	258	49	Pigment North
K03	RC	690125	6340478	750	-60	258	49	Pigment North
K04	RC	690164	6340496	751	-55	258	49	Pigment North
K05	RC	690200	6340500	754	-50	258	52	Pigment North
K06	RC	690242	6340500	751	-50	258	50	Pigment North
K07	RC	690281	6340500	753	-50	258	53	Pigment North
K08	RC	690318	6340496	753	-50	258	53	Pigment North
K09	RC	690361	6340501	749	-50	258	59	Pigment North
K10	RC	690400	6340502	749	-50	258	38	Pigment North
K11	RC	694313	6337217	787	-50	258	59	East Calula
K12	RC	694282	6337221	786	-50	258	53	East Calula
K13	RC	694245	6337221	782	-50	258	56	East Calula
K14	RC	694202	6337221	781	-50	258	53	East Calula
K15	RC	694165	6337220	784	-50	258	53	East Calula
K16	RC	694119	6337210	787	-50	258	53	East Calula
K17	RC	694087	6337221	791	-50	258	53	East Calula
K18	RC	694045	6337222	795	-50	258	53	East Calula
K19	RC	694003	6336934	800	-50	258	53	East Calula
K20	RC	694040	6336920	801	-50	258	53	East Calula
K21	RC	694077	6336909	798	-50	258	59	East Calula
K22	RC	694113	6336925	795	-50	258	62	East Calula
K23	RC	694150	6336935	795	-50	258	59	East Calula
K24	RC	694189	6336927	798	-50	258	59	East Calula
K25	RC	694226	6336913	792	-50	258	74	East Calula
K26	RC	694255	6336880	790	-50	258	59	East Calula
K27	RC	694250	6336842	789	-50	258	59	East Calula
K28	RC	694288	6336812	796	-50	258	59	East Calula
K29	RC	693462	6337660	800	-50	180	11	East Calula
K30	RC	693468	6337706	799	-50	180	8	East Calula
K31	RC	693475	6337751	789	-50	180	72	East Calula