

31 January 2011  
The Company Announcements Office  
Australian Stock Exchange Limited  
4th Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam



**ABN 88 060 628 202**

Unit 2, 23 Belgravia Street  
Belmont, Western Australia 6104

**Telephone: (08) 94757100**

**Facsimile: (08) 92774147**

**email: [comet@cometres.com.au](mailto:comet@cometres.com.au)**

## **DECEMBER QUARTER ACTIVITIES REPORT**

### **Corporate**

The Company currently has cash reserves of \$2.34 million. Comet sold some of its shares in Ferrowest during the quarter raising \$607,000.

The Company has been reviewing a number of new projects over the quarter covering a range of commodities in both Australia and overseas.

Comet is also reviewing its current project portfolio to assess future exploration programs. These projects include.

### **Browns Reef Project (100% Comet)**

Located at Lake Cargelligo NSW. Comet's drilling demonstrated good continuity over the 1 km strike length tested, and supports Comet's original concept that Browns Reef has the potential to host an extensive zone of mineralisation with a large tonnage.

There are indications that this mineralisation also contains higher grade zones. One of the better results from Comet drilling was **BR0018 58 m @ 2% Zinc (Zn), 0.9% Lead (Pb), 0.4% Copper (Cu) and 19 g/t Silver (Ag) from 316 m including 6 metres @ 11.4% Zn, 4.8% Pb, 1.2% Cu, and 74g/t Ag from 368 metres**. This intersection is significant as it confirms that high tenor mineralization exists at Browns Reef within a wide mineralised zone.

The mineralised zone is open along strike, with a further 8+ Km of the prospective zone to be evaluated. Some areas along this prospective zone have significant mineralised intersections from historic drilling in the 80's.

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

Kerr's Creek is located 20 Km North of Orange NSW. Comet's drilling indicated potential for Manganese mineralisation. Drilling intersected several zones of Manganese with the best result being K25 4m @ 9.9% Mn from 54m.

The drilling showed that the area is geologically complex with in a broad shear zone, accompanied by quartz veining and intruded by porphyry's.

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

Discussions continue over commercial waste remediation work in Eastern Australia.

For further information please contact.

Mr. Tony Cooper/Roj Jones  
Comet Resources Limited  
Tel 08.94757100  
Fax 08.92774147  
Email [tony.cooper@cometres.com.au](mailto:tony.cooper@cometres.com.au)  
Web Page [www.cometres.com.au](http://www.cometres.com.au)

*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 \$2.3 million, 0.5 million Ferrowest shares and has approximately 73 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.*