



20 September 2011
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Dear Sir/Madam

LAKE DUNDAS PROJECT – EL APPLICATION 63/1484

Comet Resources Limited (CRL) is pleased to announce that it has completed a letter of intent with private company Jaguar Resources Pty Ltd (Jaguar) to acquire 100% of EL 63/1484.

Highlights

- **Underexplored greenstone belt**
- **Anomalous gold mineralisation in the 4 holes drilled on the lease**
 - **Hole SG1: 18m @ 0.15g/t Au from 18m, including 1m @ 0.44g/t Au;**
 - **Hole SG2: 4m @ 0.16g/t Au from 15m;**
 - **Hole SG3: 8m @ 0.43g/t Au from 1m, including 2m @ 0.7g/t,
and 12m @ 0.18g/t Au from 29m,
and 24m @ 0.22g/t Au from 46m;**
 - **Hole SG4: 3m @ 0.11g/t Au from 39m
and 1m @ 0.6g/t Au from 49m.**
- **Regional proximity to major gold mineralisation**
- **Further drill targets identified**

Project Summary

Location

Jaguar's Lake Dundas Project is in the Eastern Goldfields of WA, 40km south of the mining town of Norseman. Despite its location, along strike from this major gold camp, it has undergone minimal previous exploration.

Geological Setting

The tenement is located at the southern end of the Archaean greenstone belt that extends from Menzies in the north through Norseman in the south. It is also just within that portion of the Yilgarn Craton that has been affected by Proterozoic metamorphism. The outcrop and the magnetic signature of the sediments are dominated by Banded Iron Formation ("BIF") units. The greenstone belt is interpreted to extend over about 9km from the north of the tenement to a major northeast trending fault system in the south of the tenement. Two north-northwest trending mafic dykes are interpreted to be present to the south of the fault. Outcrop within the tenement is restricted to the vicinity of the margins of the playa lake.

Previous Exploration

Central Norseman Gold Corporation Ltd explored the project area between 1985 and 1993 by means of geochemical soil sampling on a 400m by 40m grid and limited rock chip sampling.

Kinross Gold Australia Pty Ltd explored the area between 1994 and 1999. The exploration comprised of flying a detailed helimag survey, geological mapping, minor rock chip sampling, and the drilling of four RC holes for a total of 209m.

Interpretation of the geological mapping and the aeromagnetic data indicated that the main band of greenstones is present within the tenement with a strike length of up to 9km and over a width of up to 1km. The interpretation also identified seven target zones for gold mineralisation. Three of these zones were tested by four drill-holes, the locations of which are shown in figure 1 and given in the drill hole summary table at the end of this release.

Each hole intersected anomalous gold. The mineralised intersections were:

- **Hole SG1: 18m @ 0.15g/t Au from 18m, including 1m @ 0.44g/t Au;**
- **Hole SG2: 4m @ 0.16g/t Au from 15m;**
- **Hole SG3: 8m @ 0.43g/t Au from 1m, including 2m @ 0.7g/t,
12m @ 0.18g/t Au from 29m,
and 24m @ 0.22g/t Au from 46m;**
- **Hole SG4: 3m @ 0.11g/t Au from 39m
and 1m @ 0.6g/t Au from 49m.**

The mineralised intersections are in all of the rock types that were encountered, i.e. BIF, chert, metasediments, and mafic volcanics. The vertical depth-to-basement through the surficial sediments varied from 1m to 12m, and the base of oxidation from a minimum of 6m to a maximum of more than 33m vertically.

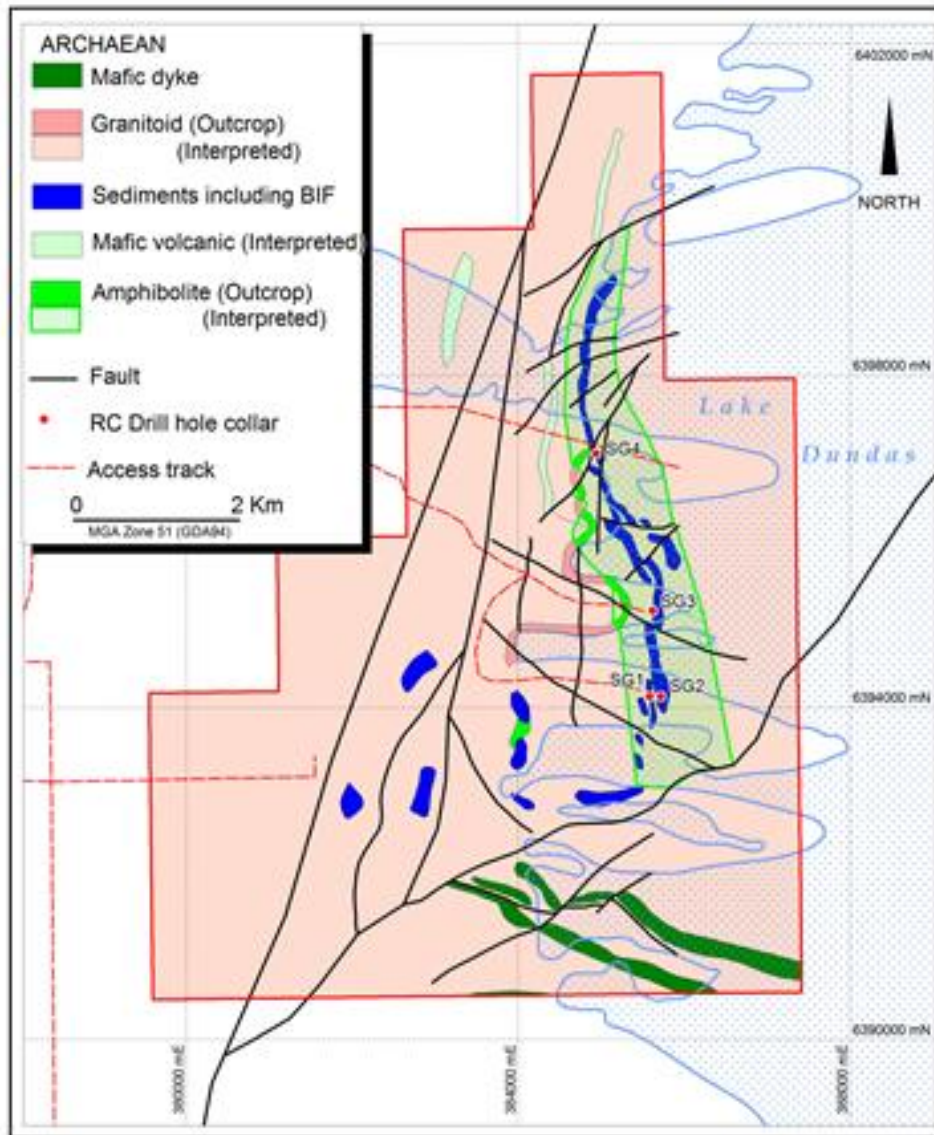


Figure 1. Lake Dundas Project – Geological interpretation and hole locations

Exploration Potential

The Lake Dundas project area is situated at the very southern end of the Norseman-Wiluna Greenstone Belt, which contains major gold and nickel deposits along its 800km length. Despite its prime location, minimal exploration has been conducted over the tenement, presumably due to a relatively shallow cover of aeolian and lake sediments and to the fact that GSWA mapping showed the southernmost greenstones to be to the north of the tenement area.

The same greenstone units that host gold deposits at Norseman are, however, present within the tenement over a strike length of up to 9km and over a width of up to 1km. Further, they have been drill tested by a previous explorer by a total of only four holes over a strike length of three kilometres. All four holes intersected low-grade gold mineralisation. The locations of the holes were in part determined by ease of access and in part by geophysical targets.

Four other aeromagnetic targets remain untested and both these and, to a lesser extent the entire belt, are prospective for gold mineralisation.

Also of interest, is the location of the project on the margin of the terrain that was affected by Proterozoic metamorphism, within which are situated the AngloGold Ashanti Ltd–Independence Group Ltd Tropicana gold deposit and Beachcomber Prospect.

In summary, the area contains a belt of non-outcropping greenstones that are known to be strongly mineralised to the north along the same structural and stratigraphic trend. Approximately 5 Moz of gold has been produced from the same greenstone sequence in the Norseman district. The presence of significant intersections of gold in previous drilling and the low level of previous exploration makes this tenement very prospective.

Proposed Exploration

Initial exploration within the project area will focus on follow-up drilling in the vicinity of the existing RC holes containing anomalous gold mineralisation and on the provision of access for the drill-testing of the other four identified geophysical targets.

Terms of Letter of Intent

Summarised below are the terms of the letter of intent.

1. CRL will carry out a pre grant due diligence, including a field visit. This will be completed as soon as possible.
2. CRL will pay Jaguar \$12,000 on 15 October 2011. The payment is to reimburse Jaguar for past expenditure on securing the licence.
3. CRL will pay Jaguar \$40,000 on grant of the tenement.
4. After tenement grant CRL will drill due diligence holes in the vicinity of the original Kinross holes SG1-4. If the holes (in CRL opinion) have no gold mineralisation comparable to the original holes, then CRL may withdraw.
5. Otherwise CRL will spend \$200,000 on exploration (this includes the due diligence drilling) within 12 months of the tenements grant.
6. Jaguar will transfer the tenement to CRL as soon as it is legally able to do so. Transfer documents will be signed and escrowed with the formal tenement agreement.
7. CRL will pay Jaguar \$40,000 12 months after the grant of tenement.

8. CRL will pay Jaguar \$50,000 24 months after grant of tenement and each subsequent 12 months until CRL withdraws or pays the \$7 million.
9. CRL will pay Jaguar \$7million if a decision to mine is made.
10. CRL may withdraw any time after the due diligence drill holes.
11. If CRL withdraws the tenement will be transferred back to Jaguar at no cost to Jaguar.
12. Jaguar will make available or assist CRL in obtaining any data on the tenement area.

CRL will prepare a formal agreement on these terms.

For further information on Comet and its projects 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, 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.

Any discussion in relation to an exploration target is only conceptual in nature, as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of further Mineral Resources.

Drill Hole Summary

Hole No	Northing (AMG)	Easting (AMG)	RL (m)	Azimuth	Inclin	Depth
SGC1	6393879.8	385550.7	230.6	90	-60	38
SGC2	6393878.3	385605.2	229.9	90	-60	38
SGC3	6394976.2	385616.6	230.5	90	-60	74
SGC4	6396878.0	384950.0	230.8	113	-60	59