






31<sup>st</sup> January 2019

## DECEMBER QUARTER REPORT

### Highlights

-  **Total Inferred Resource of 15.6Mt @ 6% TGC\*.**
-  **High-Grade Inferred Resource of 2.6Mt @ 17.5% TGC\*.**
-  **Further Drilling Planned in March Quarter to test new targets, upgrade resources and supply metallurgical samples.**
-  **Less than 20% of the identified graphite targets drill tested to date.**
-  **Completion of successful capital raising.**

\*reported using a  $\geq 2\%$  TGC cut-off

### SPRINGDALE PROJECT WESTERN AUSTRALIA (100% CRL)

Comet Resources Limited (ASX: **CRL**) (“**Comet**” or the “**Company**”), released a maiden graphite resource at Comet’s 100% owned Springdale Project during the quarter. (ASX release 6<sup>th</sup> December 2018)

**Table 1 – Springdale Project Resource Estimate reported at a  $\geq 2\%$  TGC cut-off grade**

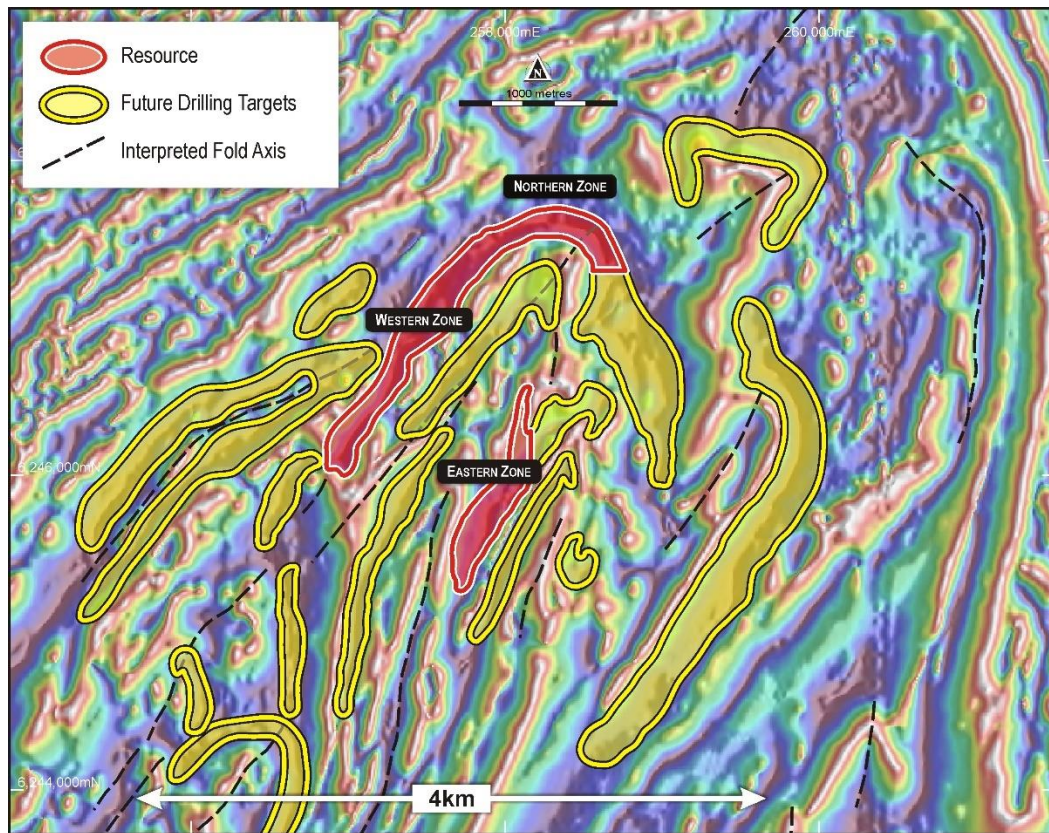
DOMAIN	TONNES (MT)	DENSITY (t/m <sup>3</sup> )	Graphite (TGC%)	CLASSIFICATION
LOW GRADE	13.0	2.2	3.7	INFERRED
HIGH GRADE	2.6	2.1	17.5	INFERRED
<b>TOTAL RESOURCE</b>	<b>15.6</b>	<b>2.2</b>	<b>6.0</b>	<b>INFERRED</b>

Note – Inferred Resources have only been reported from within mineralised wireframe domains defined by a nominal 2% TGC cut-off for low-grade and a nominal 15% TGC cut-off for high-grade to a nominal depth of 100m.

### Resource Potential

Comet conducted a 220 sq. km detailed aeromagnetic survey over the Springdale Project (ASX release 10<sup>th</sup> November 2017). Detailed Interpretation of less than 10% of Comet’s total land holding delineated **26 kilometres of stratigraphy deemed to be prospective for graphite mineralisation; currently less than 20% of this has**

**been drill-tested.** Drill testing of identified prospective stratigraphy has been successful in discovering graphite mineralisation.



**Figure 1. Area of detailed interpretation.**

## **Moving Forward**

Comet plans to progress the assessment of the graphite and graphene at Springdale Project through the following work programs:

***Drilling*** – A diamond drill program has been planned to follow up on previous high grade intersections. This work will provide sample for metallurgical testwork and high quality information to move the geological understanding and resource modelling forward, with the aim to convert high-grade areas to Indicated Resources. Further RC drilling is planned to test new targets for graphite mineralisation.

***Metallurgical Testwork*** – Metallurgical testwork will continue on existing diamond core. Understanding the amenability of the graphite at Springdale to convert to graphene and/or to be used in battery anodes and other technologies is an integral part of understanding and realising its commercial value.

## **CORPORATE**

Comet completed a capital raising placing 27,500,000 fully paid ordinary shares at a price of \$0.03 per share, with a one for two free attaching Option, to raise \$825,000 before costs.

Comet plans to use the funds from the Placement for working capital and to progress the assessment of the graphite and graphene at Springdale Project

The Board intends to participate in the Placement. This participation in the Placement will be subject to shareholder approval at the general meeting to be held in February.

## **Background**

Comet's Springdale project is located approximately 30 km east of Hopetoun, Western Australia. The tenements lie within the deformed southern margin of the Yilgarn Craton and constitute part of the Albany-Fraser Orogen. The tenements cover freehold land with sealed road access within 20km and are located approximately 150km from the port of Esperance. Comet owns 100% of the three tenement's (E74/562, E74/583 and E74/612) that make up the Springdale project. The total land holding at Springdale is approximately 220 square kilometres.

Comet completed a successful first pass aircore drilling program in February 2016. This program confirmed that graphite was present in a prospective zone/horizon (Western Zone). Comet has now drilled 93 RC holes for a total of 5320m, 113 AC holes for 2,901 metres and 20 DD holes for 1,193 metres. Significant intersections from drilling include;

## **Northern Zone**

HR0060

- 20m @ 19.3% TGC from 30m including 13m @ 25.8% TGC and 2m @ 19.3% TGC

HR0061

- 7m @ 16.3% TGC from 15m including 3m @ 35.1% TGC
- 15m @ 7.3% TGC from 24m including 2m @ 23.1% TGC and 2m @ 16.1% TGC

HR0082

- 19m @ 14.21% TGC from 20m including 6m @ 27.34% TGC and 1m @ 33% TGC

HR0083

- 21m @ 14.57% TGC from 37m including 12m @ 21.75% TGC

HR0114

- 10m @ 6.6% TGC from 9m including 3m @ 12.9% TGC
- 27m @ 11.9% TGC from 27m including 14m @ 17.8% TGC and 1m @ 16.5% TGC
- 15m @ 7.1% TGC from 57m including 4m @ 14.1% TGC and 1m @ 16.9% TGC

HR0126

- 46m @ 12.2% TGC from 38m including 7m @ 17.1% TGC and 17m @ 19.2% TGC

HR0127

- 3m @ 11% TGC from 24m including 2m @ 15.3% TGC
- 25m @ 14% TGC from 30m including 12m @ 26.6% TGC

## **Western Zone**

HD001

- 15.5m @ 9.9% TGC from 30.5m including 7m @ 20.8% TGC

HD003

- 17.5m @ 11.3% TGC from 27m including 6m @ 22.3% TGC

#### HD016

- 15.5m @ 7.5% TGC from 8.5m including 4m @ 12.1% TGC and 1.9m @ 19.3%TGC
- 14m @ 6.7% TGC from 28m including 3.25m @ 20.2% TGC

#### HD017

- 10.5m @ 7.6% TGC from 9.5 m including 4.95m @ 14.1% TGC

#### HR0074

- 15m @ 12.9% TGC from 7m including 5m @ 32.62% TGC

#### HR0091

- 43m @ 6.45% TGC from 7m including 1m@ 32.9% TGC and 3m@ 21.58% TGC

### Eastern Zone

#### HD018

- 5.6m @ 7% TGC from 15.5m
- 4.6m @ 15.8% TGC from 40m including 3.1m @ 21% TGC
- 11m @ 25.6% TGC from 49m including 9 metres @ 30.2% TGC

#### HR0036

- 12m @ 12.2% TGC from 26m including 5m @ 23.1% TGC

#### HR0069

- 6m @ 9.5% TGC from 38m including 2m @ 16.2% TGC
- 6m @ 18.3% TGC from 47m including 5m @ 21.7% TGC

#### HR0072

- 4m @ 2.6% TGC from 21m
- 10m @ 20.4% TGC from 33m including 5m @ 31.4% TGC

#### HR0080

- 9m @ 17.6% TGC from 25m including 4m @ 35.5% TGC
- 42m @ 7.6% TGC from 70m including 10m @ 14.3% TGC and 4m @ 12.4% TGC
- 14m @ 4.4% TGC from 118m

Comet discovered in April 2017 that graphene can be produced from Springdale graphite by electrical exfoliation. It is very rare for a graphite deposit to be able to produce graphene using the exfoliation method.

Tenement Listing		
Project	Interest	Tenement
Springdale Project	100% 100% 100%	E74/562 E74/583 E74/612
Gilmore Project	100%	EL8282
Bell's Find	25%	M74/1055

## Springdale Project Location

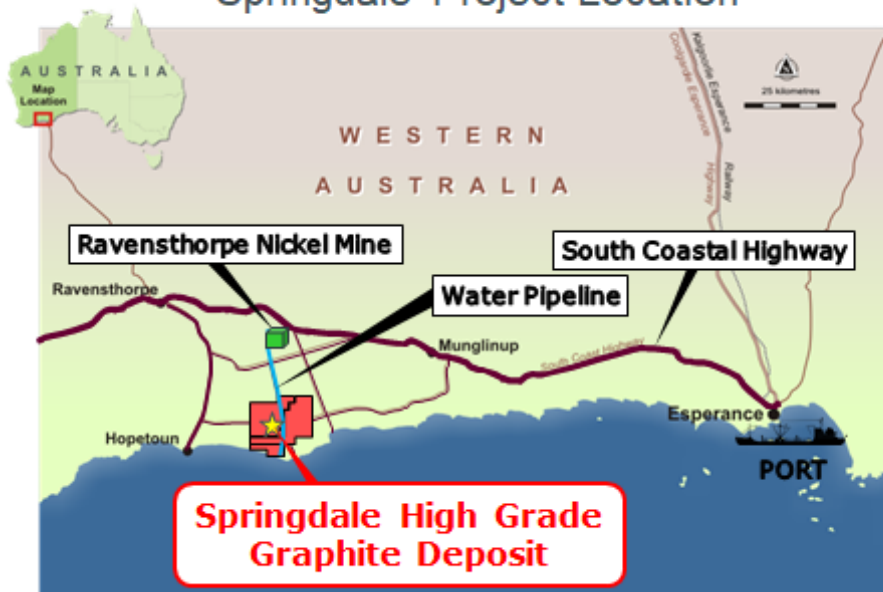


Figure 2 - Plan showing project location

For further information please contact:

**Mr. Tony Cooper**

Comet Resources Limited

Tel (08) 9466 7770

Email [tony.cooper@cometres.com.au](mailto:tony.cooper@cometres.com.au)

Web [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 \$0.8 million and has approximately 230 million shares on issue.*

### Forward-Looking Statements

*This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Comet Resources Limited's planned exploration programs, corporate activities and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should" and similar expressions are forward-looking statements. Comet Resources Limited believes that its forward-looking statements are reasonable; however, forward looking statements involve risks and uncertainties and no assurance can be given that actual future results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.*

### Competent Person's Statement

*The information contained in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Matthew Jones, a member of The Australasian Institute of Mining and Metallurgy. Mr. Jones is employed by Comet as the Exploration Manager and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr. Jones consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

**COMET RESOURCES LIMITED**

### ABN

**88 060 628 202**

### Quarter ended ("current quarter")

**31 December 2018**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date 6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(283)	(868)
(b) development	-	-
(c) production	-	-
(d) staff costs	(36)	(113)
(e) administration and corporate costs	(230)	(413)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 GST refunded/(paid)	28	45
1.7 Research and development refunds <sup>1</sup>	342	342
1.8 Other – DMP Grant and rebates	-	104
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(179)</b>	<b>(903)</b>

<sup>1</sup> During the September Quarter, the Company lodged a Research and Development Rebate for \$342,030. These funds were received on 5 October 2018.

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date 6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	720	896
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>720</b>	<b>896</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	272	820
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(179)	(903)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	720	896
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>813</b>	<b>813</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	41	116
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other – term deposits	772	156
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>813</b>	<b>272</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

133

-

Amount as stipulated in Section 6.1 is Director fees paid to the Board during the Quarter.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-



## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	240
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	190
9.6 Other – R & D Refund	-
<b>9.7 Total estimated cash outflows</b>	<b>430</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
Company secretary)

Date: 31 January 2019

Print name: Sonu Cheema

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.