

Attention: ListingsCompliancePerth@asx.com.au

Response to Comet Resources Limited ('CRL'): Aware Query

Comet Resources Ltd (Comet or the Company) (ASX:CRL), provides the following responses to the ASX Aware Letter dated 22 September 2021.

1. Noting the significant price and volume increase following the release of the Announcement, does CRL consider the Test Results to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

Yes.

2. If the answer to question 1 is "no", please advise the basis for that view.

Not applicable.

3. When did CRL first become aware of the Test Results?

The report on the test results from Pro-Graphite was received on Thursday, 16 September 2021.

4. When did CRL receive the results of the specialist test work on the natural flake graphite from its Springdale Graphite Project from ProGraphite GmbH in Untergriesbach Germany?

Please refer to the answer to response to question 3.

5. If the answer to question 1 is "yes" and CRL first became aware of the Test Results before the request of the trading halt on 16 September 2021, did CRL make any announcement prior to the trading halt request which disclosed the Test Results? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CRL was obliged to release the Test Results under Listing Rules 3.1 and 3.1A and what steps CRL took to ensure that the information was released promptly and without delay.

CRL received the report on the test results on Thursday, 16 September 2021. Preliminary results had previously been shared with the Company, commencing on the 28th of July on an ongoing basis as separate components of the testing regime were completed, in the form of progress updates from Pro-Graphite. The component results are not individually informative of the amenability of the graphite to produce anode precursor material however, and therefore we had to wait for the final report incorporating all test results, with the associated interpretation of the results due to the technical nature of the material, in order to understand them. CRL was advised that the report incorporating all test work to date, interpretation of the results and recommendations for further test work would be coming from Pro-Graphite by close of business in Germany, Wednesday, 15 September 2021. Knowing that CRL was to receive the report at this time, based on communication with Pro-Graphite, and to allow time to review the results, prepare the press release, and allow time for review and comments on the press release by the Board and Pro-Graphite, a decision was made to enter into a trading halt on 16 September 2021. CRL had not made any announcement regarding the test results prior to the trading halt.

6. Please confirm that CRL is complying with the Listing Rules and, in particular, Listing Rule 3.1.

CRL confirms it is in compliance with all Listing Rules, including Listing Rule 3.1.

7. Please confirm that CRL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CRL with delegated authority from the board to respond to ASX on disclosure matters.

CRL confirms the responses provided have been approved by the Board of CRL.

This announcement has been authorised by the Board of Comet Resources Limited.

For further information please contact:

MATTHEW O'KANE

Managing Director



22 September 2021

Reference: 39988

Mr Sonu Cheema
Company Secretary
Comet Resources Limited

By email: s.cheema@cicerogroup.com.au

Dear Mr Cheema

Comet Resources Limited ('CRL'): Aware Query

ASX refers to the following:

- A. The increase in price of CRL's securities from a closing price of \$0.02 on 14 September 2021 to an intra-day high of \$0.026 on 15 September 2021. There was also a significant increase in the volume of securities traded on 15 September 2021.
- B. CRL's request for a trading halt pending release of an announcement regarding metallurgical testwork results from the Springdale Graphite Project provided to ASX and released on the ASX Market Announcements Platform ('MAP') at 9.21am AEST on 16 September 2021.
- C. CRL's request that its securities be suspended from official quotation pending the release of the metallurgical test results released on MAP at 10.17 am AEST on 20 September 2021.
- D. CRL's announcement entitled "SPRINGDALE GRAPHITE PERFORMS EXCEPTIONALLY IN BATTERY ANODE MATERIAL BENCHMARK TESTS " lodged on MAP and released at 9.43am AEST on 21 September 2021 (the 'Announcement'), disclosing the results of specialist test work on natural flake graphite from CRL's Springdale Graphite Project ("Test Results"). Following the release of the Announcement CRL's securities were reinstated to official quotation and recommenced trading.
- E. The increase in price of CRL's securities from a closing price of \$0.025 on 15 September 2021 to an intra day high on 21 September 2021 of \$0.036, and the increase in volume of securities traded on 21 September 2021.
- F. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- G. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."
- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied:

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

 - *It would be a breach of a law to disclose the information;*

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- *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*
 - *The information is a trade secret; and*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 *A reasonable person would not expect the information to be disclosed.”*
- I. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:
- “Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

Request for information

Having regard to the above, ASX asks CRL to respond separately to each of the following questions and requests for information:

1. Noting the significant price and volume increase following the release of the Announcement, does CRL consider the Test Results to be information that a reasonable person would expect to have a material effect on the price or value of its securities.
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did CRL first become aware of the Test Results?
4. When did CRL receive the results of the specialist test work on the natural flake graphite from its Springdale Graphite Project from ProGraphite GmbH in Untergriesbach Germany?
5. If the answer to question 1 is “yes” and CRL first became aware of the Test Results before the request of the trading halt on 16 September 2021, did CRL make any announcement prior to the trading halt request which disclosed the Test Results? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CRL was obliged to release the Test Results under Listing Rules 3.1 and 3.1A and what steps CRL took to ensure that the information was released promptly and without delay.
6. Please confirm that CRL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that CRL’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CRL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3.00pm WST on Friday, 24 September 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CRL’s obligation is to disclose the

information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CRL to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CRL’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CRL’s securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CRL’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CRL’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Elizabeth Harris
Manager, Listings Compliance (Perth)