ASX:CRL

Large Priority Graphite Exploration Target Identified

Comet Resources Ltd (Comet or the Company) (**ASX:CRL**) is pleased to announce that the Company has identified a large, priority exploration target immediately to the north east of the existing Springdale graphite resource in south Western Australia. The target area is believed to be a fold repeat of the graphite-bearing stratigraphy that hosts the high-grade Springdale resource *(figure 1)*.

The Springdale Graphite Project already has a defined Inferred Resource of 15.6Mt @ 6% Total Graphitic Carbon (TGC) including a high-grade portion of 2.6 million tonnes at 17.5% TGC *(ASX release 6 Dec 2018)*. The majority of defined resources are situated within 60 metres of surface.

The ability to target shallow, high-grade graphite mineralisation using electromagnetic surveys (EM) was confirmed during the February drilling campaign with the discovery of two new zones *(ASX release 7 May 2019)*.

Exploration to date has focussed on the fold closure of a northeast-southwest trending syncline. Recent interpretation of the regional aeromagnetic survey has highlighted a potential fold-repeat of graphite-bearing stratigraphy to the east-north-east of the existing resource *(see figure 1).*

Comet plans to use EM as a high-grade targeting tool to test the newly identified area.

Highlights

- Defined resources are open along strike and down dip
- Recent exploration drilling identified two new high-grade graphite zones extending over a combined interpreted strike length of 8.5 kilometres
- Over 80% of prospective stratigraphy is yet to be drill-tested
- Potential large fold-repeat of graphite-bearing stratigraphy identified in regional aeromagnetics
- Ability to optimise exploration efficiency by using EM to target high-grade graphite near surface

Comet Resources CEO, Philippa Leggat, commented:

"We don't yet know if we have found the highest-grade areas of graphite mineralisation at Springdale. The highest intercept of one metre at 48% TGC was retuned in our February drilling program[1]. The two new discoveries made in the program are outside the current resource and clearly confirmed the potential to use EM to target the high-grade zones near surface, and that is really quite exciting.

"We already have an Inferred Resource of 2.6Mt @ 17.5% TGC on less than ten percent of our licence, mostly within 60 metres of surface, and this is before we look at the potential that a fold repeat could deliver."

"Moving forward, we see EM helping to identify the highest grade in new areas and around the existing resource, so that we can cost-effectively upgrade the high-grade component of our project."

1 *Refer Announcement dated 7 May 2019 "Comet Discovers Two New High-Grade Graphite Zones".*

Comet Resources Limited
ABN 88 060 628 202

Suite 9, 330 Churchill Avenue
Subiaco WA 6008

AU +61 (8) 6489 1600
comet@cometres.com.au
PO Box 866 Subiaco WA 6904
cometres.com.au
ASX:CRL

Potential fold repeat

Interpretation of the regional aeromagnetic survey has highlighted a potential fold-repeat of graphite-bearing stratigraphy eight kilometres east-north-east of defined resources. The scale of the folding presents a target of approximately seven square kilometres. The target sits in a similar, favourable fold-closure position to the one that already has a high-grade graphite resource defined.

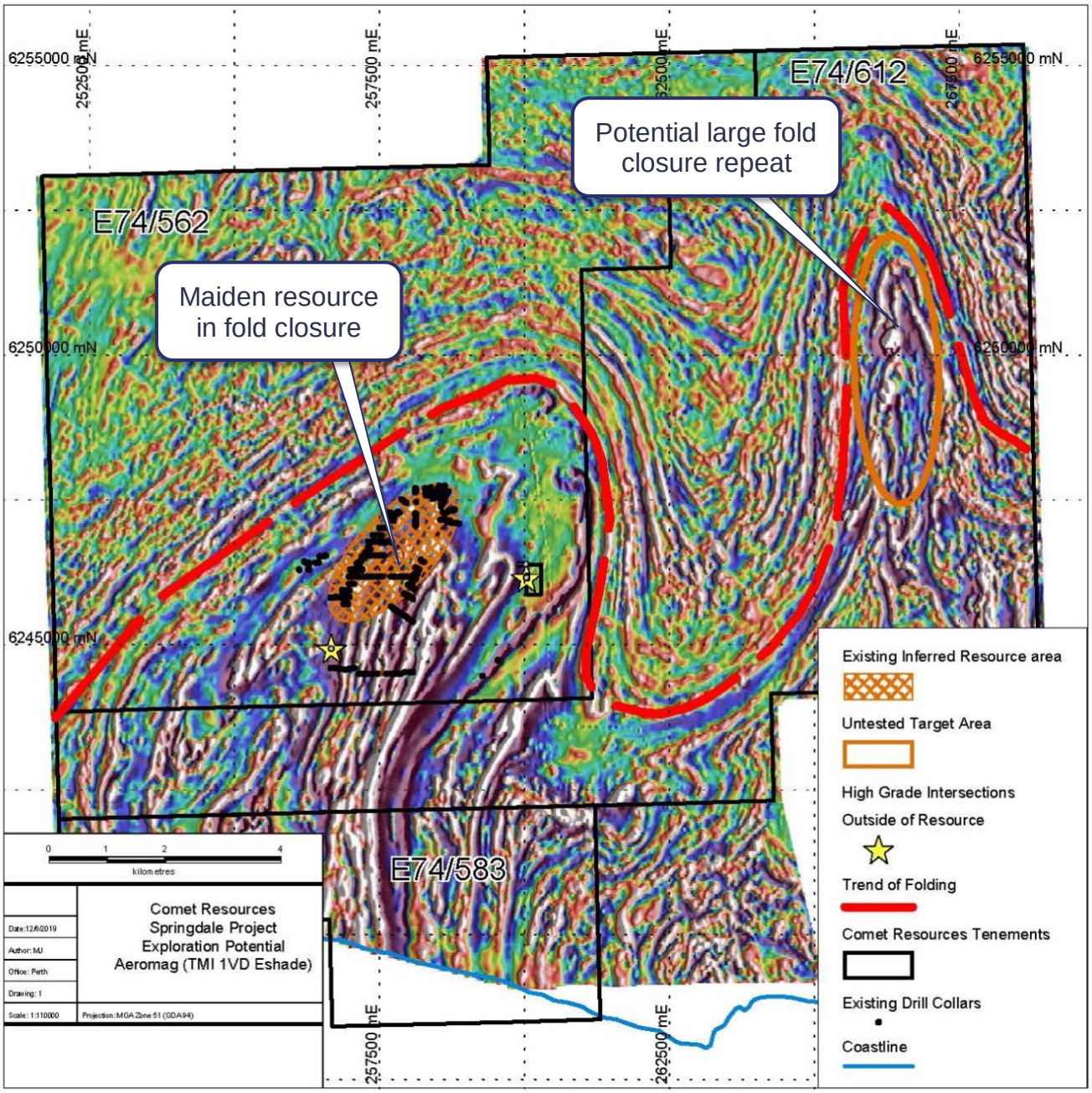

Figure 1 – Potential fold repeat of graphite-bearing stratigraphy at the Springdale Project shown in the aeromagnetic image (total magnetic intensity first vertical derivative).

In September 2017 Comet conducted a 220 square kilometre detailed aeromagnetic survey over the Springdale Project *(ASX release 10th November 2017)*. A recent review of the aeromagnetic data in

conjunction with drill hole information identified that graphitic horizons intersected in existing drilling sat in distinct magnetic lows.

Approximately 26km of stratigraphy deemed prospective to host graphite was interpreted in the vicinity of the western fold closure, with over 80 percent of this prospective stratigraphy yet to be drill-tested.

High-grade graphite mineralisation

The section below demonstrates the consistent, high grade and near surface nature of the graphite mineralisation at Springdale *(ASX release 2 Oct 2018)*.

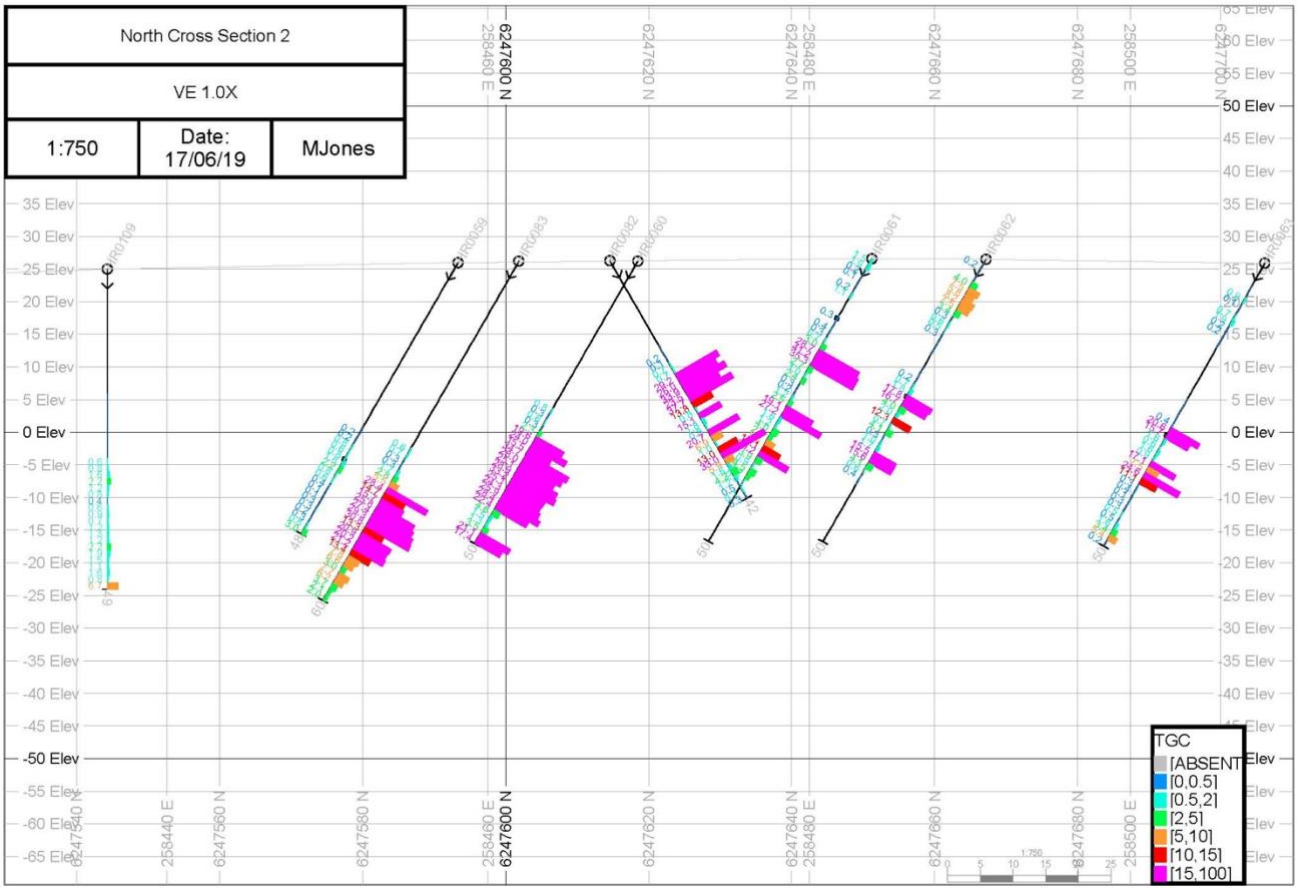

Figure 2 – Cross section from the northern area of the resource

18 June 2019

ASX:CRL

For further information please contact:

PHILIPPA LEGGAT

Chief Executive Officer

(08) 6489 1600
pleggat@cometres.com.au
cometres.com.au
Suite 9, 330 Churchill Avenue Subiaco WA 6008
PO Box 866 Subiaco WA 6904

About the Springdale Graphite Project in Western Australia

The 100% owned Springdale graphite project is located approximately 30 kilometres east of Hopetoun in south Western Australia. The project is situated on free hold land, with good access to infrastructure being within 150 kilometres of the port at Esperance via sealed roads.

The tenements lie within the deformed southern margin of the Yilgarn Craton and constitute part of the Albany-Fraser Orogen. Comet owns 100% of the three tenement's (E74/562, E74/583 and E74/612) that make up the Springdale project, with a total land holding of approximately 220 square kilometres.

Key information on the Springdale Graphite Project

- Comet completed a first pass aircore drilling program in February 2016, which confirmed that graphite was present (Western Zone).
- In September 2017 a 220km^2 detailed aeromagnetic survey was conducted *(ASX release 10 Nov 2017)*. Interpretation delineated 26 kilometres of stratigraphy deemed to be prospective for graphite mineralisation. Less than 20% of the identified stratigraphy has been drill tested indicating the potential scale of the Project.
- The Northern Zone was defined as a high priority drill target. RC drilling completed between December 2017 and February 2018 was successful in identifying high grade graphite mineralisation in the Northern Zone.
- Comet released a Maiden Resource *(Table 1)* at the Springdale Graphite Project late 2018 that incorporated the Northern, Western and Eastern Zones *(ASX release 6 Dec 2018)*.
- The high-grade portion of the resource is 2.6Mt at 17.5% Total Graphitic Carbon (TGC) *(Table 1).*
- Metallurgical test work in April 2017 proved 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 on solid, untreated rock.
- The discovery of two new high-grade zones of graphite mineralisation was announced in May 2019. The results of the drilling program confirmed that electromagnetic surveys could be used as a targeting tool for shallow, high-grade graphite mineralisation *(ASX release 7 May 2019)*.

Comet Resources Limited
ABN 88 060 628 202

Suite 9, 330 Churchill Avenue
Subiaco WA 6008

AU +61 (8) 6489 1600
comet@cometres.com.au
PO Box 866 Subiaco WA 6904
cometres.com.au
ASX:CRL

Appendices

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 Persons Statement

The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Matthew Jones, who is a Competent Persons and Member of The Australasian Institute of Mining and Metallurgy. Matthew Jones is full-time Exploration Manager of the Company. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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". Matthew Jones consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

No New Information

To the extent that this announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Table 1

Springdale Project Resource Estimate reported at a >=2% TGC cut-off grade.

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

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.