

Funding to Advance the High-Grade Springdale Graphite Project Secured

Comet Resources Ltd (Comet or the Company) (**ASX:CRL**) is pleased to announce that it has received commitments to raise \$562,500 via a private placement to sophisticated investors. The placement was well supported by new and existing investors and provides Comet with funding to advance the high-grade Springdale Graphite Project, in south Western Australia, towards the next stage of development.

Comet's Plans to Advance the High-Grade Springdale Graphite Project

The placement will raise \$562,500 through the issue of 22.5 million fully paid ordinary shares (FPO) at 2.5 cents per FPO share and 22.5 million free attaching options on a one-for-one basis.

Comet will use the funds to continue to evaluate the results of recent drilling at the Springdale project, which will include metallurgical test work on core material from that campaign focussed on classification of the material and test work regarding maximising recoveries, as well as value added test work regarding battery applications and foil opportunities, in addition to general working capital expenditure.

Comet Resources Managing Director, Matthew O'Kane, commented:

"Solid investor interest enabled us to close off the capital raise quickly. The funds from this raise combined with existing resources will provide the funding to continue the very critical metallurgical test work programs, as well as supporting ongoing efforts focussed on identifying strategic relationships for the Springdale project."

Capital Raising Capacity

The capital raising is to be conducted under the Company's placement capacity pursuant to ASX Listing Rules 7.1 through the issue of 22,500,000 fully paid ordinary shares of \$0.025 per share, with a one-for-one free attaching option, to raise \$562,500 before costs.

The Board intends to participate for up to \$100,000 in the Placement for up to 4,000,000 FPO Shares and 4,000,000 one-for-one free attaching options. This participation in the Placement will be subject to shareholder approval at the Company's forthcoming General Meeting of Shareholders¹.

Capital Structure	Details	Total ('000)
Ordinary shares on issue pre-raising	At market close on 18/11/19	277,500
Options on issue pre-raising	4c exp 31/12/19	12,000
	10c exp 31/12/19	57,000
	10c exp 31/12/20	5,000
	15c exp 31/12/20	10,000
	6c exp 30/06/21	18,750
Ordinary shares issued in raising ²	2.5c	18,500
Options issued under raising ²	6c exp 30/06/21	18,500
Ordinary shares issued - Director Participation ¹	2.5c	4,000
Options issued - Director Participation ¹	6c exp 30/06/21	4,000

Options issued to Lead Manager	6c exp 30/06/21	4,000
Fully diluted number of shares post raising		429,250

18,500,000 fully paid ordinary shares and 18,500,000 one-for-one free attaching options are to be issued under ASX LR7.1²

Empire Capital Partners Pty Ltd were engaged to manage the Placement. Fees in respect of the Placement are a Manager to offer fee of \$28,750, 4 million unlisted CRL options exercisable at \$0.06 each on or before 30 June 2021 and a distribution fee of six percent on capital raised.

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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 198 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).

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- In September 2017 a 220km² 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*).

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.

Compliance Statement

ASX Listing Rules Compliance

The information within this release and to date, the Company has relied on the following ASX announcements

ASX Announcement	24/10/19	More High Grade Results From Latest Diamond Drilling
ASX Announcement	24/10/19	Outstanding Graphite Results From Latest Diamond Drilling
ASX Announcement	15/10/19	EM Survey Identifies Priority Graphite Targets
ASX Announcement	4/9/19	Springdale Aerial EM Survey Complete and Drilling Progress
ASX Announcement	9/7/19	EM Survey Targets Extensions to High-Grade Graphite Resource
ASX Announcement	18/6/19	Large Priority Graphite Exploration Target Identified
ASX Announcement	7/5/19	Comet Discovers Two New High Grade Graphite Zones
ASX Announcement	1/3/19	Drilling Commences at Springdale Graphite Project
ASX Announcement	6/12/18	15.6MT MAIDEN RESOURCE FOR THE SPRINGDALE GRAPHITE PROJECT
ASX Announcement	2/10/18	High Grade Northern Zone Extended Interim RC Drill Results

Compliance Statement

This report contains information extracted from reports cited herein. These are available to view on the company website. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this release.

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 $\geq 2\%$ 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.