18 February 2020

ASX:CRL

Capital Raising Provides Strong Endorsement for Barraba Copper Project Acquisition

Highlights:

- **Comet has received a strong endorsement for its recently announced Barraba Copper Project acquisition in the form of firm commitments for the $2M capital raising contemplated**
- **Capital raising satisfies the key condition precedent to progress the acquisition**
- **Company will now move to seek shareholder approval for the acquisition**
- **Copper is one of most widely used metals in the world and is aligned with Comet's strategic focus on battery electric vehicle (BEV) commodities**
- **Initial drilling program on the Barraba Project planned for Q2 2020**
- **Metallurgical work streams progressing on the Springdale Graphite Project. Results expected Q1/2**

Comet Resources Ltd (Comet or the Company) (ASX:CRL) is pleased to advise that it has **received firm commitments for $2M** pursuant to the proposed acquisition of a new copper exploration project in NSW, Australia. The Company will now lodge a Notice of General Meeting, seeking shareholder approval for the acquisition and the capital raising.

Comet Managing Director, Matthew O'Kane, commented" ***"The strong support for this capital raising is a great endorsement from investors for the Barraba Copper Project acquisition and Comet's evolving strategy. We're already planning an active exploration program for Q2, including an initial drilling program."***

The Barraba Copper Project has never been systematically tested by modern exploration techniques. Our initial exploration program will include drill testing of areas below the historically identified deposits, plus high-level exploration targets delineated by an induced polarisation (IP) survey of parts of the license area that were never followed up. To complement the drill testing we will also complete downhole geophysics with the aim of providing additional information about potential parallel and blind lodes, in addition to the known historical lodes. As volcanogenic massive sulphide (VMS) deposits often occur in clusters, we are excited about the potential for new discoveries on the Barraba Copper Project though new exploration works and testing the extent of the previously discovered and partially mined lodes.

Comet believes that copper is set to see an increase in demand due to the global efforts to reduce emissions from the transport network and also from generation of renewable electricity. Copper is not only an important part the batteries used in BEV's, but is also used extensively in the electric motors that drive the wheels of BEVs, and is also used intensively in the generation of electricity from renewables, such as solar and wind. The Company believes that the Barraba copper project complements its existing Springdale graphite project due to their shared end uses in batteries for BEV's, and better utilises available board and management resources with the aim of driving shareholder value.

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

Summary of the Capital Raising:

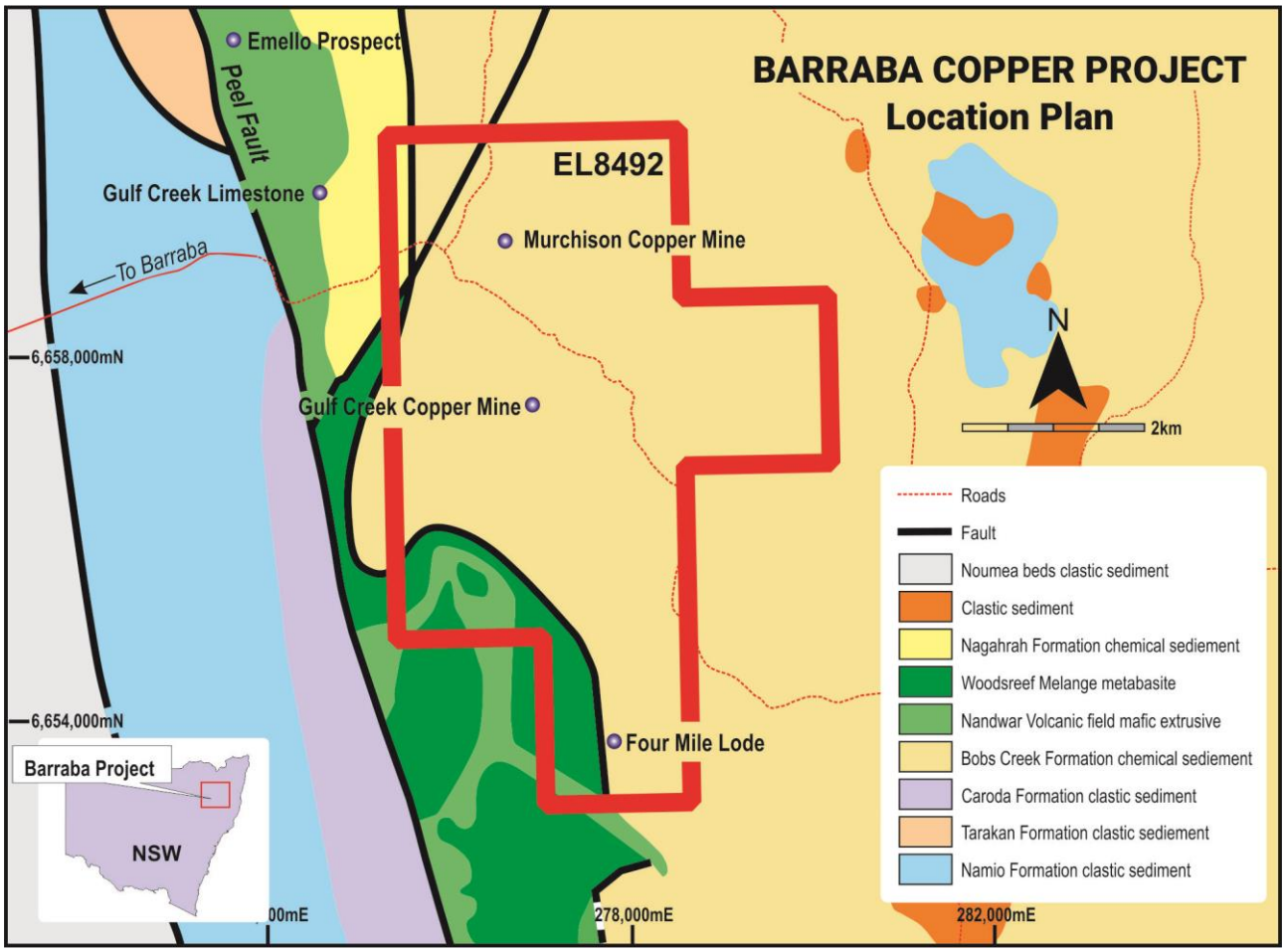
Under the terms of the offer the Company has received firm commitments for the issuance of 80,000,000 fully paid shares at a subscription price of 2.5 cents per share. The Company will also issue subscribers one unlisted option with a strike price of 3.5 cents and an expiry of 30 June 2021 for each share issued under the offer.

The capital raising is subject to shareholder approval. The Company expects to lodge the notice of meeting for the general meeting shortly.

Summary of the Barraba Copper Project

The 2,375ha exploration license that covers the project area, EL8492, is located near the town of Barraba, approximately 550km north of Sydney. It sits along the Peel Fault line and encompasses the historic Gulf Creek and Murchison copper mines. The region is known to host VMS style mineralisation containing copper, zinc, lead and precious metals. Historical workings at Gulf Creek produced high-grade copper and zinc for a short period around the turn of the 19th century, and this area will form a key part of the initial exploration focus.

Regional Geology of the Barraba Copper Project:



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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

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

For further information please contact:

MATTHEW O'KANE

Managing Director

(08) 6489 1600

comet@cometres.com.au

cometres.com.au

Suite 9, 330 Churchill Avenue Subiaco WA 6008

PO Box 866 Subiaco WA 6904

About Comet Resources

In addition to the proposed acquisition of the Barraba Project, Comet is the 100% owner of the Springdale graphite project, located approximately 30 kilometres east of Hopetoun in south Western Australia. The project is situated on freehold 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 two tenement's (E74/562 and E74/612) that make up the Springdale project.

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 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 6 Dec 2018)*.
- The high-grade portion of the Inferred Mineral 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)*.
- In October 2019 an aerial electromagnetic survey identified numerous shallow high-grade graphite targets, many of which are in close proximity to exiting resources *(ASX 15 Oct 2019).*

Forward-Looking Statement

This announcement 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 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 a consultant and was previously 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.

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Bianca Manzi, who is a Member of The Australian Institute of Geoscientists and a part time consultant to Comet Resources Limited. Ms Manzi 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". Ms Manzi 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.

Springdale Project Mineral Resource estimate reported at a >=2% TGC cut-off grade

Domain	Tonnes (Mt)	Density (t/m^3)	Graphite (TGC%)	JORC Classification
High grade	2.6	2.1	17.5	Inferred
Low grade	13.0	2.2	3.7	Inferred
Total Resources	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.

Released ASX 6 Dec 2018