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DRILLING TO COMMENCE AT SPRINGDALE GRAPHITE PROJECT.

Highlights

SPRINGDALE PROJECT

- **Exploration planned to commence by mid-August.**
- **Detailed drilling to define strike extension of discovered graphite zone.**
- **Deeper drilling to test depth of discovered graphite zone.**
- **Diamond drilling for metallurgical test work samples.**
- **Drilling to test other prospective graphite zones.**
- **Regional drilling to test for Gold and Nickel at the Springdale Greenstone Belt.**

SPRINGDALE PROJECT (100% CRL)

Comet Resources Ltd (ASX: CRL, "Comet" or the "Company") is the 100% owner of the 36 Graticule block Springdale exploration licence E74/562, located approximately 30 km east of Hopetoun, Western Australia. The tenement lies within the deformed southern margin of the Yilgarn Craton and constitutes part of the Albany-Frazer Orogen, which hosts the historic Halberts Graphite mine near Munglinup (50km away). The Munglinup area has produced the bulk of Western Australia's recorded graphite production. The tenement is over freehold land with sealed road access within 20km and is located approximately 150km from the port of Esperance.



Comet conducted a successful first pass aircore drilling program comprising 11 holes for 324 metres. This program confirmed that graphite was present in a prospective zone/horizon detected from unpublished and verbal reports of graphite mineralisation encountered in historical shallow calcrete/limestone drilling and extractive industry operations at the project.

All 11 holes intersected graphite mineralisation over approximately 500 metres of strike with a shallow dip to the east. Significant intersections from this drilling are:

H01A: 7 metres at 12.6% TGC from 26 metres to end of hole (EOH);
H03: 2 metres at 11.5% TGC from 28 metres to EOH;
H06: 8 metres at 12.4% TGC from 16 metres;
H08: 1 metre at 24% TGC from 18 metres; and
H10: 25m at 4% TGC from 6 metres.

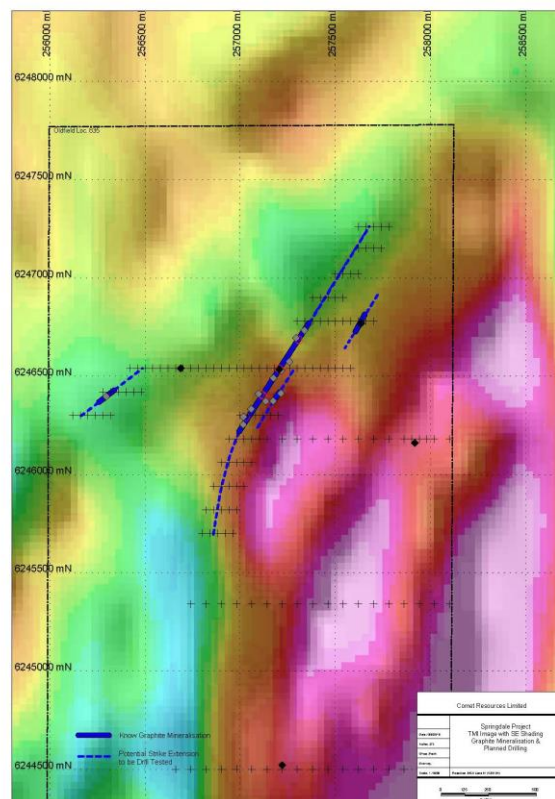
A full report for this drilling can be found in Comet's release dated 6 April 2016 - "Springdale Project delivers new graphite discovery in Western Australia".

The proposed drilling program is designed to test the newly discovered graphite zone along strike and other prospective zones located from unpublished and verbal reports of graphite mineralisation. A number of diamond drill holes will test depth extension and obtain samples for metallurgical test work.

A program of 150 drill holes for 4,500m has been planned. The Graphite drill component is 110 holes for 3210m.

The remaining drilling will be used to test for Gold and Nickel mineralisation over the inferred Springdale Greenstone Belt. This unexplored remnant Archaean greenstone belt is located within the deformed Albany-Frazer Orogen on the southern margin of the Yilgarn Craton. The discovery of the Tropicana gold deposit has highlighted the prospectivity of reworked parts of greenstone along the Yilgarn Craton margins. The discovery by Comet of weak gold mineralisation in banded iron formation subcrop enhances mineral prospectivity for Archaean style gold mineralisation.

The two images below (Google Earth and TMI (Total Magnetic Intensity)) show the planned exploration program.



This work program is planned to commence Mid-August.

For further information please contact:

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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 \$1.3 million and has approximately 108 million shares on issue.

The information in the report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr. A Cooper, who is a Consultant and director to Comet is also a Member of The Australian Institute of Mining and Metallurgy, with over 30 years' experience in the mining industry. Mr. Cooper has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.