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ABN 88 060 628 202

The Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Unit 1, 4 Canning Road
Kalamunda, Western Australia, 6076
Telephone: (08) 94667770
email: comet@cometres.com.au

Dear Sir/Madam

Springdale Graphite Project Update **Comet's Newly Discovered Springdale Project contains** **Jumbo Graphite Flakes**

Highlights

- First pass aircore drilling program were completed in February
- A total of 11 holes for 324 metres - all 11 holes intersected graphite mineralisation
- 8 metres at 12.4% Total Graphitic Carbon (TGC) from 26 metres to end of hole
- Large to Jumbo flakes (>180µm) are common in most samples
- Open along strike

Comet Resources Limited (ASX: CRL, "Comet" or the "Company") is the 100% holder of the 36 Graticule block Springdale exploration licence E74/562, located approximately 30 km east of Hopetoun. 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.

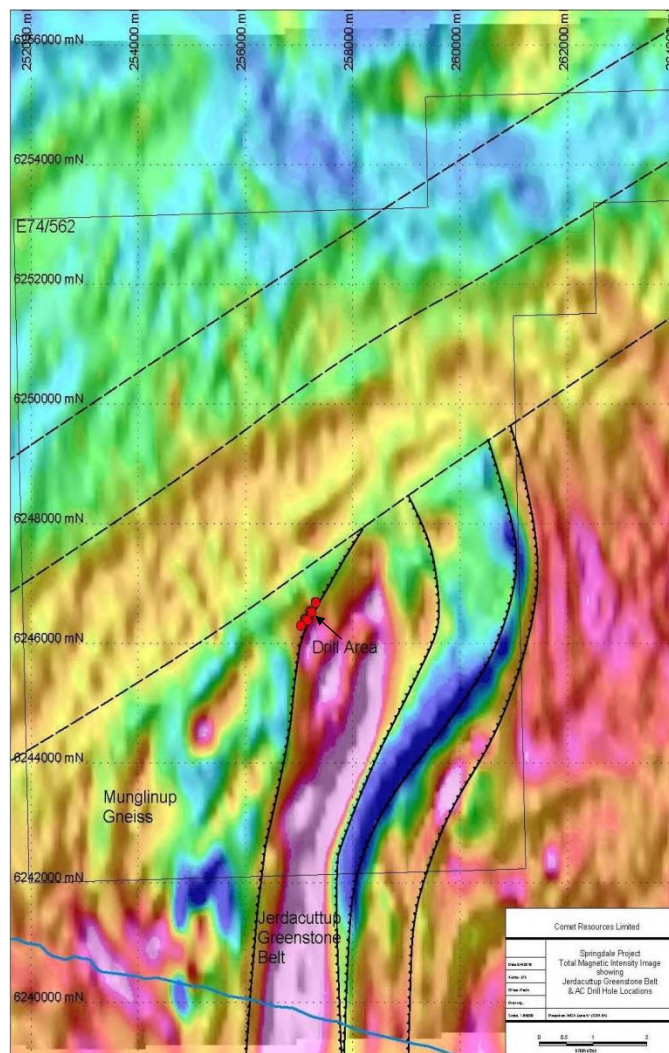


Background

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 This program tested that graphite was present in a prospective zone/horizon detected from unpublished and verbal reports of graphite mineralisation encountered in historical shallow calcrete/limestone drilling and extractive industry operations at the project.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

The mineralisation at this tested zone/horizon is open at depth and along strike with other prospective zone/horizon located from unpublished and verbal reports of graphite mineralisation yet to be tested. 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".



Intersections:

Hole Number	From (m)	To (m)	Intersection (m)	Grade % TGC
H01	3	13*	10	5.5
H01A	23	33*	10	9.7
including	26	33*	7	12.6
H02	3	30	27	3.0
H03	22	30*	8	4.9
including	28	30*	2	11.5
H04	2	10	8	4.6
H05	4	17	13	4.1
H06	7	25	18	6.7
including	16	24	8	12.4
H07	5	17	12	2.2
H08	17	21	4	7.6
including	18	19	1	24.0
H09	1	22	21	3.2
H10	6	31	25	4.0
* End of hole				

Petrographic Examination

Eight graphite-bearing core samples from the February drilling program were submitted to Townend Mineralogy Laboratory petrographic examination with associated XRD analyses. This work was conducted to give an understanding of graphite flake size and distribution. Graphite flake sizes have a range of prices with larger flake sizes commanding higher prices.

Graphite Product	Mesh Size	Flake Size in Microns (µm)
Jumbo Flake	48	> 300
Large Flake	+80 to 48	180 to 300
Medium Flake	+100 to 80	150 to 180
Small Flake	+200 to 100	75 to 150
Amorphous	< 200	< 75

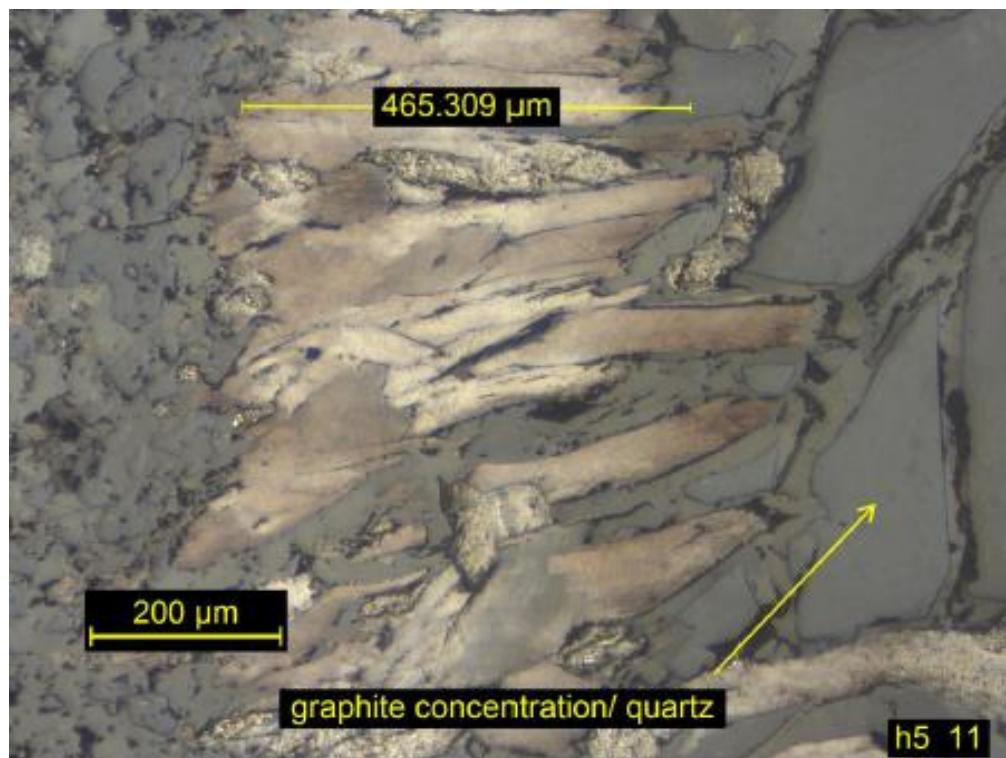
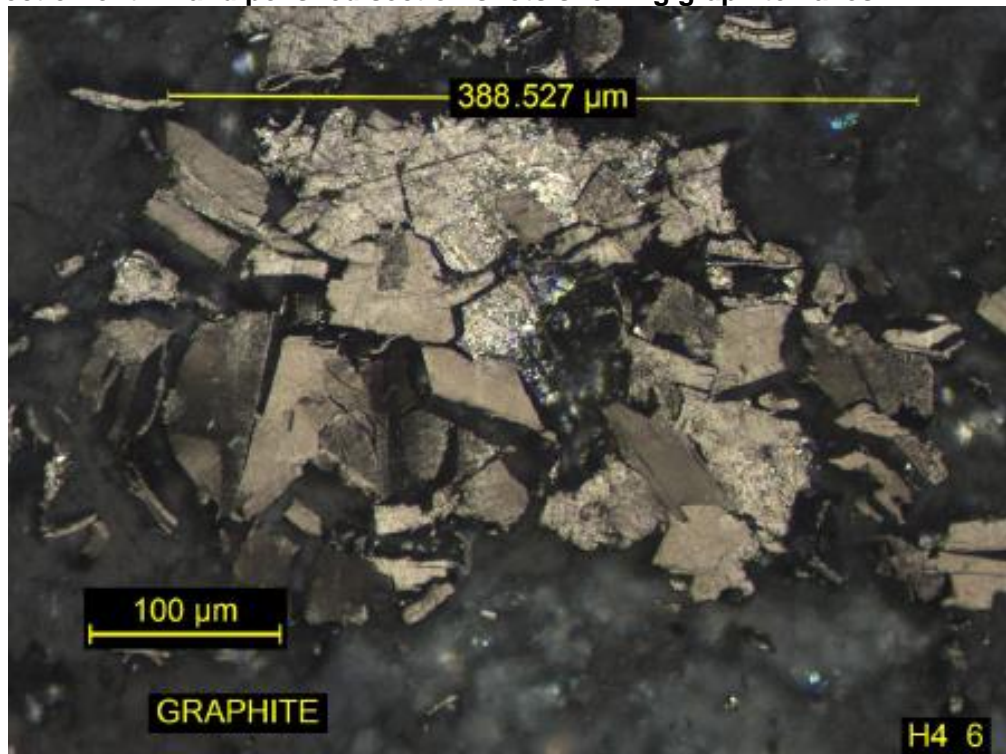
Selected Samples

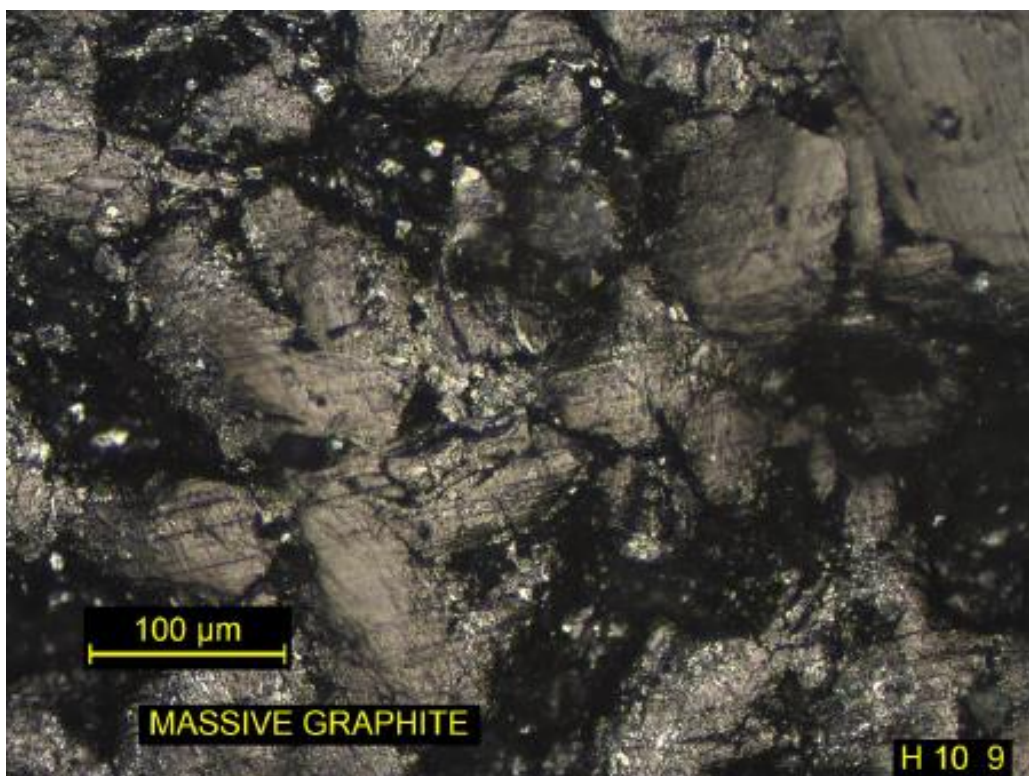
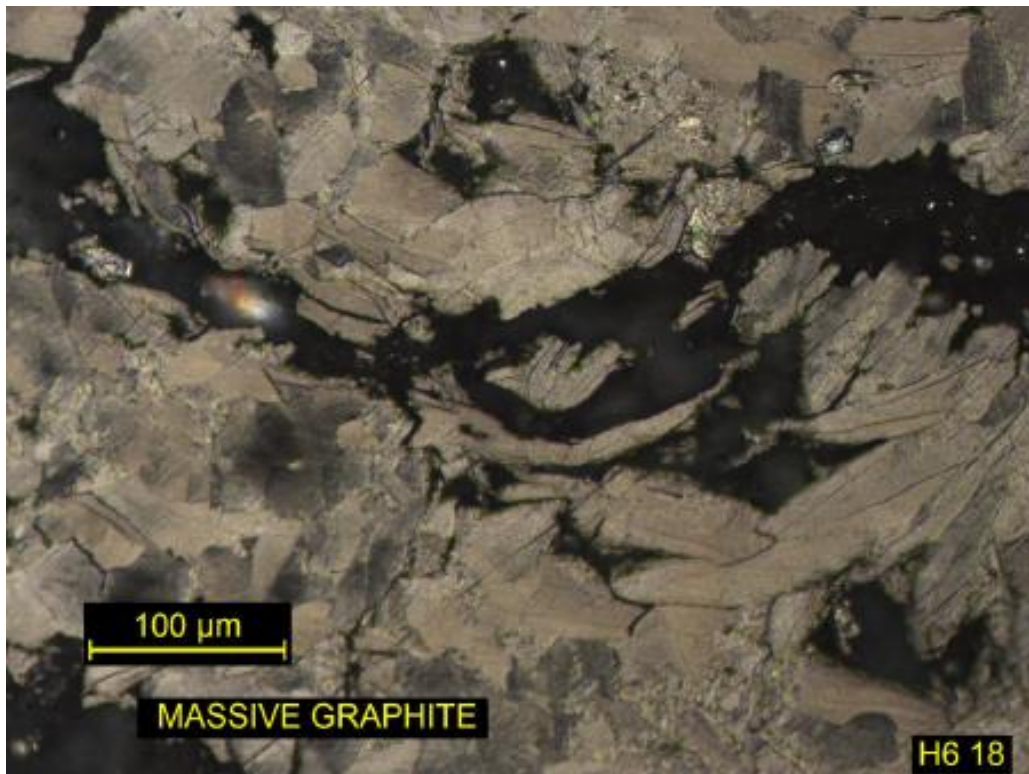
Hole Number	From (m)	To (m)	Grade (TGC)
H02	12	13	6.1%
H04	5	6	5.1%
H05	10	11	6.1%
H06	17	18	16.6%
H06	21	22	9.2%
H10	8	9	10.7%
H10	25	26	12.0%
H10	29	30	12.0%

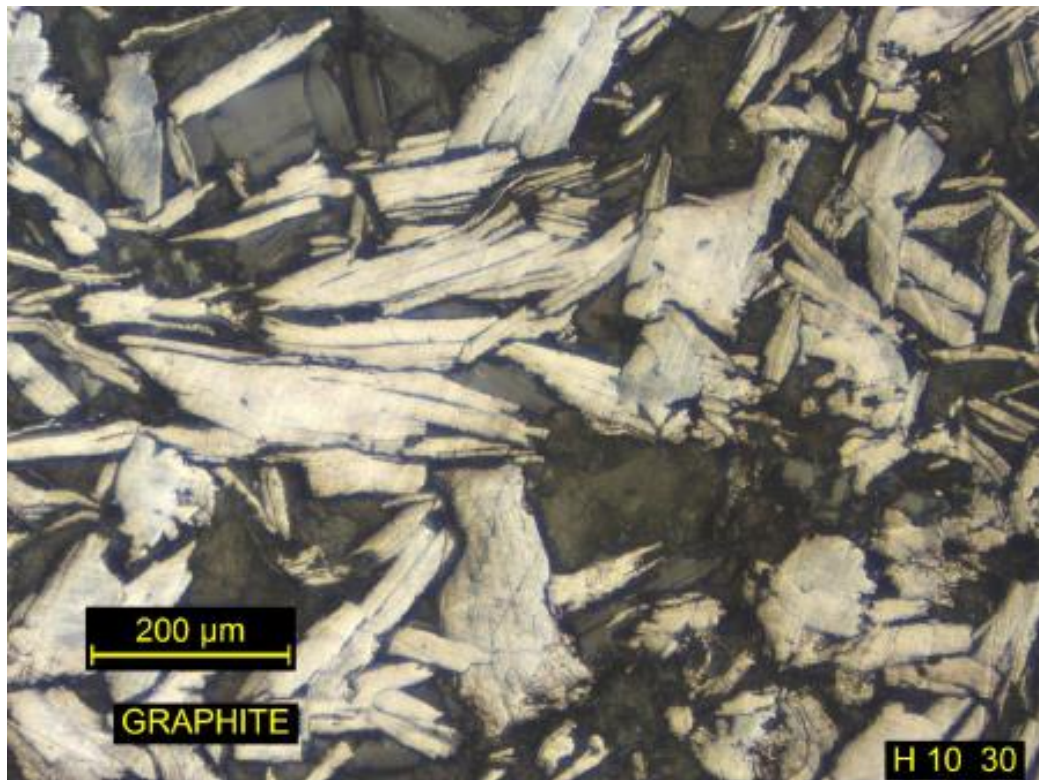
Samples contained a variation of graphite flake sizes from Jumbo to Small Flakes. Some flakes were up to 500 µm in size. Large to Jumbo flakes (>180µm) are common in most

samples and these flakes tend to be elongate in nature. Flakes with a blocky habit are more typically in the small to medium flake size range (75-180 μ m).

A selection of thin and polished section shots showing graphite flakes







The Townend Mineralogy Laboratory report states that “most of the samples contain reasonable quantities of graphite, but the altered nature of the clay bearing examples meant that the graphite flakes were frequently split because of clay penetration.” This is expected due to the shallow nature of these samples collected from within the weathered zone.

For further information please contact.

Mr Tony Cooper

Comet Resources Limited

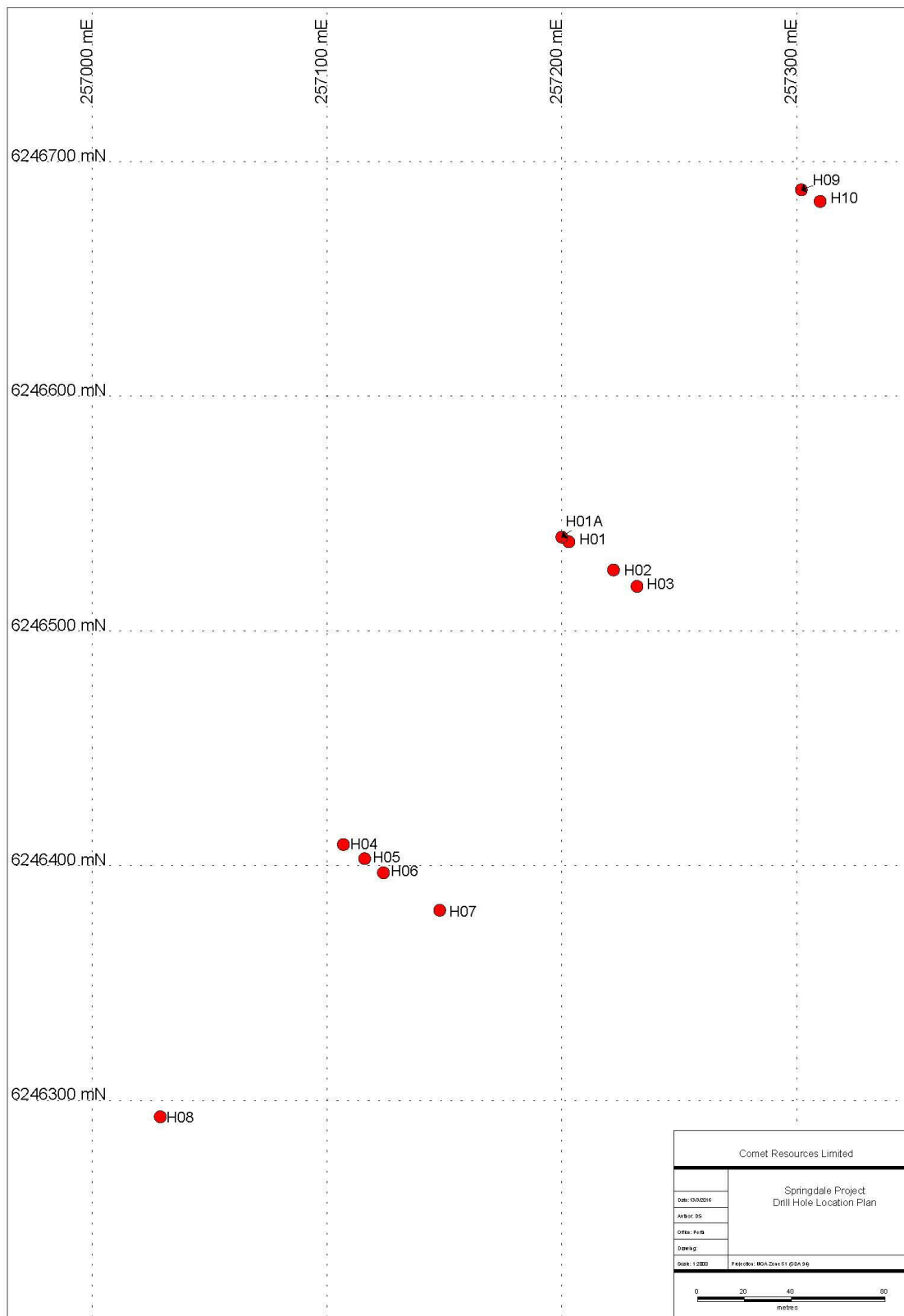
Tel 08 94667000

Email tony.cooper@cometres.com.au

Web Page www.cometres.com.au

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, 0.5 million Ferrowest shares 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 20 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.



JORC TABLE 1**Section 1 Sampling Techniques and Data**

Criteria	Explanation
<i>Sampling techniques</i>	Aircore drilling produced samples that were collected at one-metre intervals using a cone splitter to produce an approximate three kilogram sample, which is considered representative of the full drill metre. This is considered to be an industry standard. Sampling was guided by qualified field personnel. Only sample that contained visible Graphite were submitted to SGS Laboratories Perth. Samples were analysed for Graphitic Carbon with selected Au analyses
<i>Drilling techniques</i>	Springdale February drill program comprised 11 aircore drill holes, which were completed by ONQ Exploration Solutions using an Edson 200 rig with 400/200 compressor with a 90mm aircore bit. Reverse hammer circulation drilling was used if ground condition became too hard for aircore.
<i>Drill sample recovery</i>	Overall recoveries were good and limited sampling recovery problems encountered. Insufficient drilling and geochemical data is presently available to evaluate any potential sample bias. Some wet sampling was reported.
<i>Logging</i>	Geological logging of the drill chips were recorded for all holes, including lithology, mineralogy, grain size, texture, weathering, oxidation, colour and other features of the samples. Drill chips were not logged to any geotechnical standard and the data is insufficient to support Mineral Resource estimation at this stage. Logging of aircore/RC drill chips is considered to be semi-quantitative given the nature of rock chip fragments and the inability to obtain detailed geological information. The drill holes were logged in full to the end of the hole.
<i>Sub sampling techniques and sample preparation</i>	All one-metre splits from the drill holes were passed through a cone splitter to produce a 15% split for assaying. No check or repeat samples have been submitted for analysis. Field logging was used to determine if a sample contained graphite. Samples that contained graphite were submitted for analysis. Each sample was weighed at the preparation laboratory and the weights recorded along with analytical results. No specific quality control procedure has been adopted for the collection of the samples. Samples were shipped to SGS laboratories in Perth WA for drying, pulverizing and splitting to prepare a pulp of approximately 200 grams which was analysed at SGS Laboratories in Perth WA. The sample sizes are considered to be appropriate to correctly represent the sought after mineralisation style. Selected larger chip sample were submitted to Townend Mineralogy Laboratory of Perth Western Australia for thin and polished section analysis and XRD on some mineral grains
<i>Quality of assay data and laboratory tests</i>	Average sample weight submitted for prep was 2kg with a range from 1kg to 3kg. Analysis was by CSA05V Graphitic Carbon, LECO Method. Samples were dried crushed and pulverised to minus 75 microns. This is an accepted industry analytical process appropriate for the nature and style of mineralisation under investigation. No company generated blanks or standards were incorporated into the sampling procedure. SGS undertook their own internal checks and blanks. Limited gold analysis was done on selected samples by aqua regia digest ARE133.

<i>Verification of sampling and assaying</i>	No verification work has been conducted yet. This will be in the forward work program now that the analytical results from this initial sampling are known. No independent or alternative company has yet been engaged to verify results.
<i>Location of data points</i>	All drill hole sites have been located using a hand held GPS unit and cross checked onto aerial photographs where relevant. The GPS recorded locations used the WGS 84 and accuracy is limited to approx. 4 metres.
<i>Data spacing and distribution</i>	11 Aircore shallow holes were completed. The spacing between these holes varied as indicated by the drill location imaged included in the body of the accompanying report. This drill data is not being used for estimating a Mineral Resource or modelling of grade at this stage in exploration. No sample composting was applied.
<i>Orientation of data in relation to geological structures</i>	The orientation of the comets drilling was designed to intersect the target zone at right angles in an attempt to minimise the risk of biased sampling. The orientation of the drilling is deemed sufficient at this stage of exploration.
<i>Sample security</i>	All samples were collected in calico sample bags with sample number identification on the bag. Bags were then checked against field manifests and loaded into plastic bags for transportation to SGS sample preparation in Perth WA by Comet staff. Given the initial phase of exploration, combined with the limited number of field staff involved, the security over sample dispatch is considered adequate for these samples at this time.
<i>Audits or reviews</i>	No audits or reviews have yet been conducted on the exploration data presented in this release.

Section 2 Reporting of Exploration results

Criteria	Explanation
<i>Mineral tenements and land tenure status</i>	The Exploration license is current and 100% owned by Comet Resources Ltd. There are no outstanding issues regarding access or ownership on the targeted land.
<i>Exploration done by other parties</i>	Unpublished and verbal reports of graphite mineralisation encountered in shallow calcrete/limestone drilling and extractive industry operations at the Springdale Project.
<i>Geology</i>	Archaean greenstone belt and the surrounding Archaean Munglinup Gneiss which encapsulates the Belt. The greenstone belt is located within the deformed southern margin of the Yilgarn Craton and constitutes part of the Northern Foreland lithotectonic unit of the Albany-Frazer Orogen Two different mineral deposit models are proposed: <ul style="list-style-type: none"> a) Archaen style gold, nickel copper mineralisation in remnant greenstone and reworked Yilgarn Craton rocks; and b) Graphite mineralisation within metamorphosed Archaean granitic and sedimentary rocks.

<i>Drill hole Information</i>	Drilling details are in the main body of this announcement
<i>Data aggregation methods</i>	Any reported intersections are based on a regular sample interval of one metre unless otherwise stated. No upper cuts are applied and no internal dilution has been used for any intersection calculations. No metal equivalents have been used in this report. Cut-off grade of 1% TGC has been used and nominal 3 metre waste (below 1%) has been included in extended intervals. Higher grade intercepts use a cut-off of 10% TGC
<i>Relationship between mineralisation width and intercept lengths</i>	There is insufficient understanding of the bedrock geology at present to determine the true thickness of any reported drill intersections. Any intersections included in this report are downhole lengths. The true widths of these intersections are not known.
<i>Diagrams</i>	Appropriate maps and sections are included in the body of this report.
<i>Balanced reporting</i>	The accompanying document is considered to represent a balanced report. Further evaluation into the significance of these results is ongoing.
<i>Other substantive exploration data</i>	Other exploration data collected by the Company is not considered as material to this report at this stage. Further data collection will be reviewed and reported when considered material.
<i>Further work</i>	These results will need to be verified in the field and duplicate test work conducted to ensure repeatability. In addition more drilling will need to be done to determine the extent of the graphite mineralisation. Initial metallurgical and crystal size test work will also need to be conducted to give first indications of the potential to recover Graphite identified within the mineralised rocks.