

## **Springdale Graphite Project.**

### **Broad Zone of Graphite Mineralisation 800 Metres North of Previous Diamond Drilling.**

#### **Highlights Include;**

**13 diamond drill holes completed. All holes intersecting graphite mineralisation;**

**DH016 intersects widest zone to date, 15.5 metres @ 7.5% TGC and 14 metres @ 6.6% TGC from 8 metres;**

**DH016 confirms a broad zone of graphite mineralisation 800 metres north of previous diamond drilling;**

**Exfoliation of diamond core has been conducted with graphene identification to follow;**

**Eastern zone delivers, with high grade graphite from HD015: 8.8 metres at 10.2% TGC including 1.9 metres at 26.2% TGC;**

**List of significant intersections in Table 1;**

**\$100,000 funding approval from Western Australian Government Exploration Incentive Scheme;**

**Detailed aeromagnetic survey is currently being conducted;**

**Next phase of drilling scheduled to commence this month.**



Figure 1 – Graphite HD008

## Program Overview

Comet Resources Limited (ASX: **CRL**)(**Comet**) conducted a diamond drilling program at the Springdale Graphite Project Western Australia in the September quarter 2017. The program consisted of 13 HQ diamond drill holes for 690.1 metres (collar coordinates provided in Appendices, plans and cross sections provided in Figures 3 to 11). The aim of the drilling campaign was to;

- Produce samples to allow for metallurgical testing. Diamond drilling provides whole core sample that is suitable for metallurgical testwork to further assess the amenability of Springdale graphite to produce graphene via exfoliation and testwork on high grade battery graphite.
- Provide further information on the strike, orientation, continuity and grade of the main identified graphite zone and other less defined graphite horizons.
- To further test in the vicinity of aircore hole H0065 (13 m at 10.9% Total Graphic Carbon (TGC) with the highest 1 metre intersection to date of 39.7% TGC). This is the most northern intersection at the Springdale Project
- To further test around aircore hole H0082 (8 m at 3.8% TGC and 2 m at 25.9% TGC). This aircore hole was stopped in mineralisation and is the most eastern intersection.

Prior to the recently executed diamond drilling program, interpretation of existing drilling completed by Comet had delineated a main graphite horizon extending over a 1.8km strike, with several secondary parallel graphite horizons. Several occurrences of graphite mineralisation were recorded one kilometre to the east and 1.5 kilometres south of the main graphite mineralised horizon and indicated potential for defining additional zones over 4 kilometres of strike.



Figure 2 – Diamond drilling July 2017.

## Program Results

The results from the 13 recently drilled diamond drillholes are extremely positive with all holes intersecting graphite horizons. Significant intersections for each hole are provided in Table 1.

Positive outcomes from the program include;

- Holes HD016 and HD017 further tested high grade mineralisation identified in aircore hole H0065. Core recovery was poor in part, but the grade tenor and thickness of graphite intersected indicate a prospective graphite zone that remained untested. Exfoliation of some core has already been completed. The exfoliation process utilised Springdale graphitic rock as it was extracted from the ground (in this case diamond core). The exfoliation method is used to peel graphene flakes from the graphite in the core. Graphene identification will be conducted when more graphite has been exfoliated.
- Holes HD014 and HD015 further tested high grade mineralisation identified in aircore hole H0082. Again, core recovery was poor in part, but results obtained strongly suggested the potential for another significant graphite horizon east of the currently defined zones.
- Ample sample of weathered and fresh graphite material has been obtained for continuing graphene and battery technology testwork. The testwork has commenced with results to be released when complete.
- The results support the interpretation of multiple graphite horizons at Comet's Springdale project. A detailed aeromagnetic survey is currently being flown. This has been designed to provide valuable data to assist in the interpretation of the graphite horizons within the gneiss and to focus future drilling campaigns. .
- Diamond drilling in main zone show continuity of mineralisation both down dip and along strike.

Table 1 – Significant intersections HD005 – HD017 (TGC >=1% up to 3m of internal waste)

HOLE	FROM	TO	Significant Intersection (TGC >=1%, up to 3m of internal waste)	RECOVERY%
HD005	5.4	6.2	0.8 metres at 3.49% TGC	100
HD005	12.35	22	<b>9.65 metres at 7.13% TGC</b>	99
and	28	29.6	1.6 metres at 8.45% TGC	100
HD006	9.9	19.6	<b>9.7 metres at 4.58% TGC</b>	70.1
and	27.4	28	0.6 metres at 3.2% TGC	100
HD007	1.2	5.4	4.2 metres at 4.12% TGC	33.3
and	34	35.7	<b>1.7 metres at 17.75% TGC including 1.1 metres at 26.3% TGC</b>	100
and	40.9	45.65	4.75 metres at 5.17% TGC	100
HD008	13.1	28.12	<b>15.02 metres at 7.13% TGC including 7.37 metres at 12.09% TGC</b>	88.7
and	32	35.4	3.4 metres at 2.49% TGC	100
HD009	32.75	33.65	0.9 metres at 7.11% TGC	100
and	46.05	49.6	3.55 metres at 1.09% TGC	100
HD010	50.5	54	3.5 metres at 11.07% TGC including 2.18 metres at 15.05% TGC	100
and	57.85	58.4	0.55 metres at 11.15% TGC	100
and	61.4	64	2.6 metres at 1.65% TGC	100
HD011	17.4	34.86	<b>17.46 metres at 4.26% TGC including 3.8 metres at 10.84% and 1.76 metres at 10.06% TGC</b>	98.3
and	39	40	1 metres at 1.36% TGC	100
HD012	14.75	15.65	0.9 metres at 3.49% TGC	100
and	40.65	60.85	<b>20.2 metres at 5.76% TGC including 10.1 metres at 8.99% TGC</b>	99
HD013	45.4	55.6	10.2 metres at 1.25% TGC	99
and	65.75	69.45	<b>3.7 metres at 9.01% TGC including 0.95 metres at 22.6% TGC</b>	97.3
and	73.2	79	<b>5.8 metres at 10.96% TGC</b>	100
and	83.45	89	5.55 metres at 3.53% TGC including 0.55 metres at 10% TGC	96.4
HD014	7.35	15	7.65 metres at 3.86% TGC including 2.25 metres at 8.3% TGC	79.1
and	26.1	29.6	3.5 metres at 6.31% TGC including 1.2 metres at 8.06% TGC	48.6
HD015	7.75	9.2	1.45 metres at 6.92% TGC including 0.8 metres at 9.87% TGC	93.1
and	14	22.8	8.8 metres at 4.39% TGC including 1.8 metres at 14.46% TGC	82.4
and	32.15	41	<b>8.85 metres at 10.2% TGC including 1.9 metres at 26.22% TGC</b>	62.1
HD016	8.5	24	<b>15.5 metres at 7.48% TGC 4 metres at 12.08% and 1.9 metres at 19.31% TGC</b>	69.7
and	28	42	<b>14 metres at 6.66% TGC including 3.25 metres at 20.16% TGC</b>	74.3
HD017	9.55	20.3	<b>10.75 metres at 7.6% TGC including 4.95 metres at 14.08% TGC</b>	48.8

Note: Sample recovery in the highly weathered portion of some holes was low (<80%) due to issues with the drilling methods employed. Loss of recovery often coincided with interpreted high-grade graphite zones (as defined from previous drilling). Where sample loss was within a mineralised zone and there was reasonable indication in the surrounding lithologies that the lost material was also graphitic an average grade of the sample above and below the core loss zone was applied to the interval to give a realistic intersection calculation. The percentage recovery provided for each calculated intersection gives an indication of the confidence of the intersection.



## Moving Forward

Comet plans to progress the assessment of the graphite at Springdale Project through the following work programs;

***Detailed Aeromagnetic survey*** – A detailed aeromagnetic survey is currently being flown. This will assist in the interpretation of graphite horizons within the gneiss allowing focussed drill planning and assessment of the graphite potential of the broader area.

***Metallurgical Testwork*** – Metallurgical testwork on samples generated in the most recent diamond drill program has already commenced. Understanding the amenability of the graphite at Springdale to convert to graphene or be used in battery technology is an integral part of understanding and realising its commercial value.

***Diamond drilling*** – A diamond drill program has been planned to commence at the end of September, 2017. The focus of this drilling is to obtain further sample for metallurgical testwork and to trial methods of improving sample recovery in the highly weathered zone.

***Aircore/RC Drilling*** – After a review of existing drilling with the aeromagnetic data an aircore and/or reverse circulation drill program will be planned to commence in the last quarter of the calendar year. This will provide important information on the extent of graphite mineralisation within Comet's Springdale Project tenements.

***Western Australian Government Funding*** – Comet has received funding approval for up to \$100,000 from the Western Australian Government's Exploration Incentive Scheme (EIS) for the current drilling. Comet would like to acknowledge the ongoing support provided by the WA Government through its EIS program. The EIS co-funded drilling program preferentially funds high quality, technical and economically based projects that promote new exploration concepts and are assessed by a panel on the basis of geoscientific and exploration targeting merit

## Cross Sections

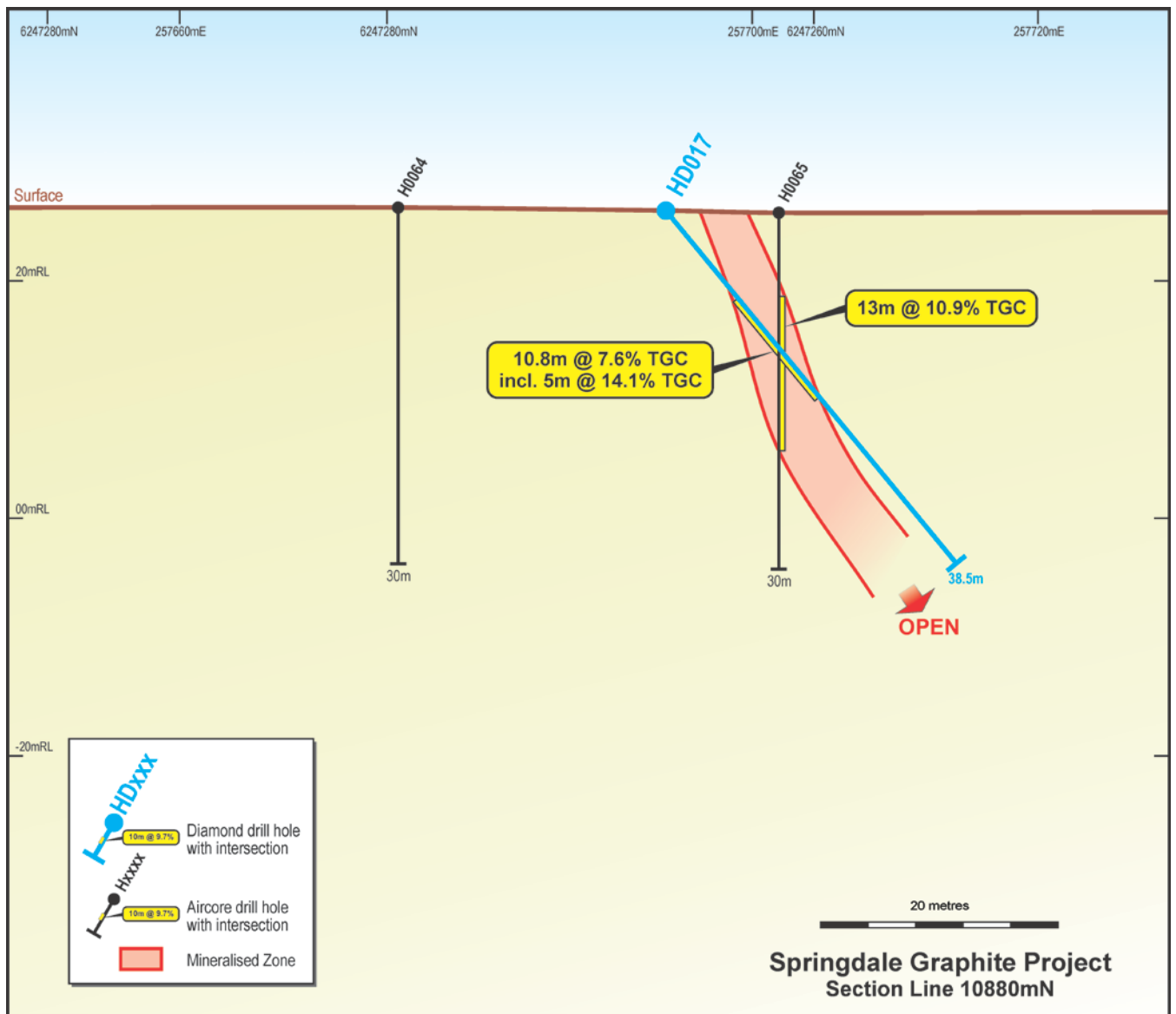
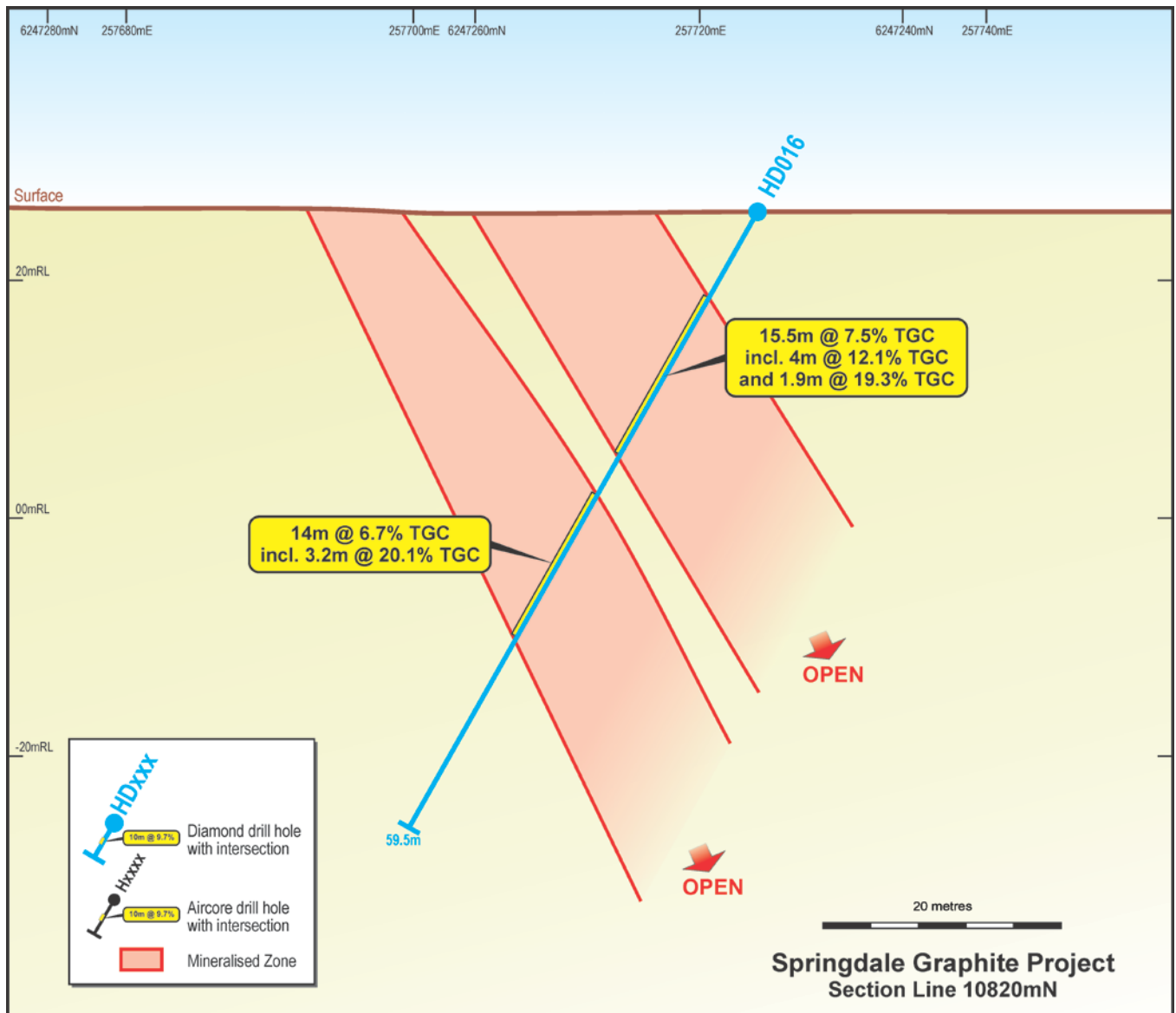
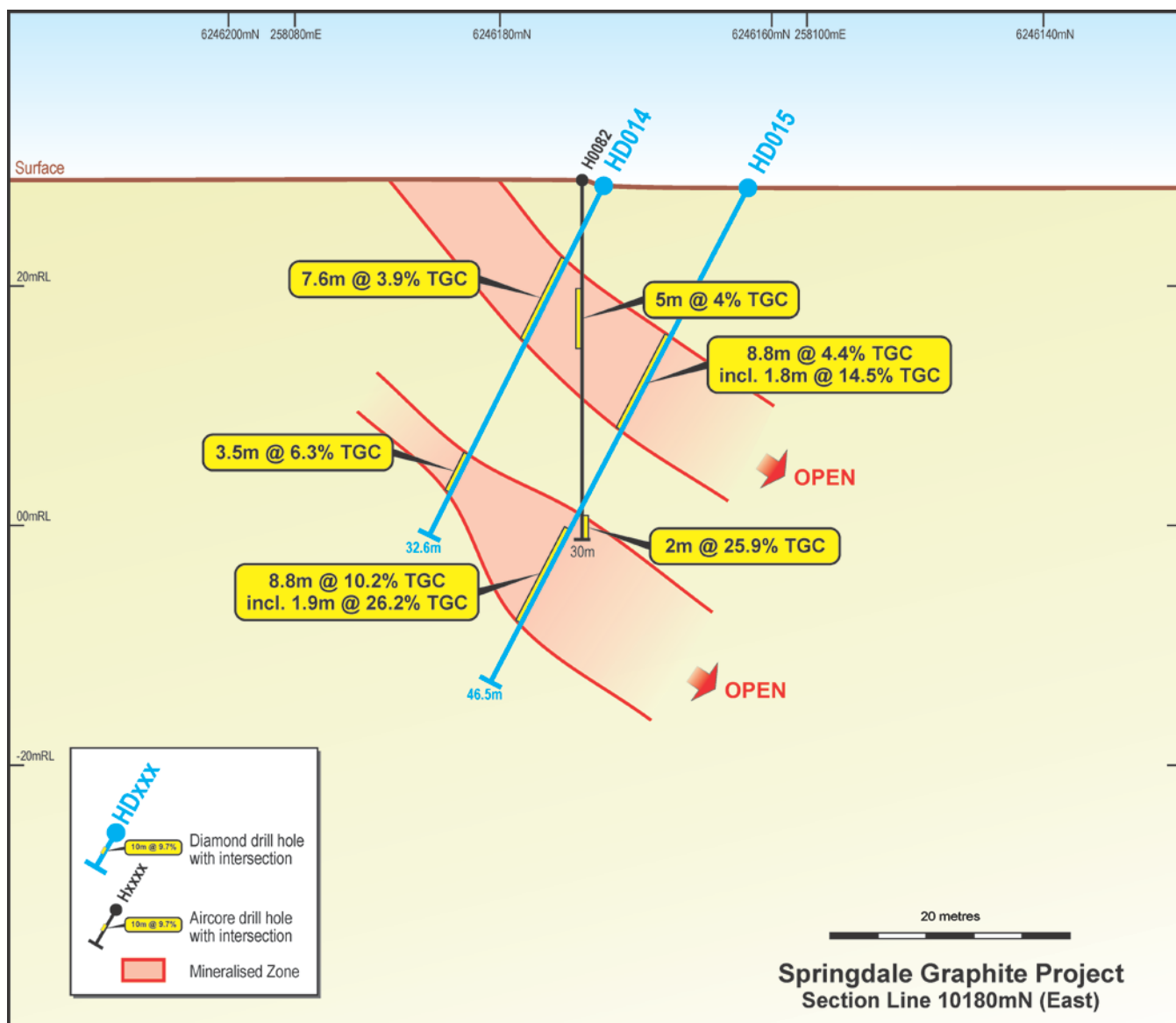


Figure 3 – Section Line 10880mN.

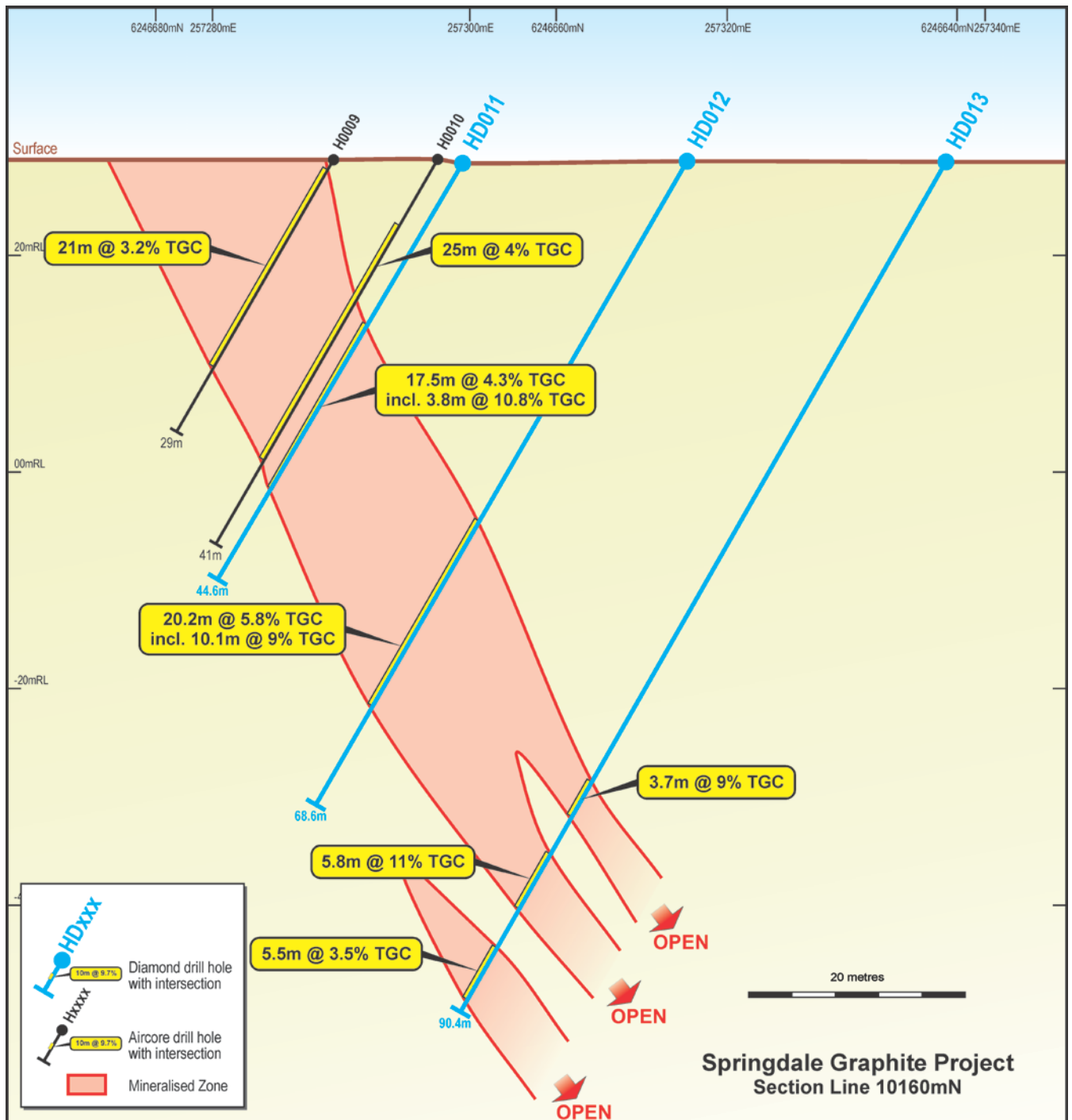


**Figure 4 – Section Line 10820mN.**

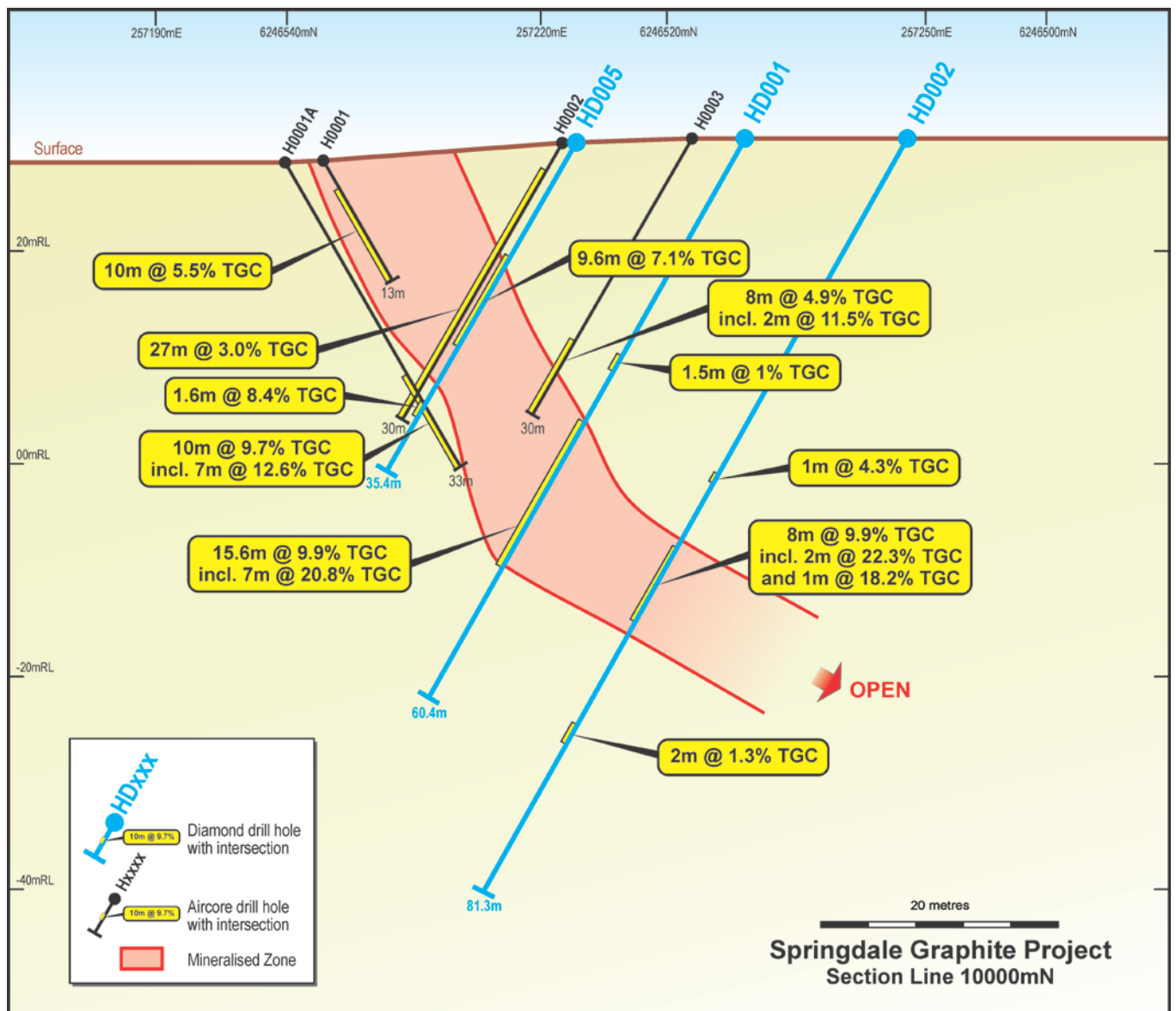


**Figure 5 – Section Line 10180mN (East).**

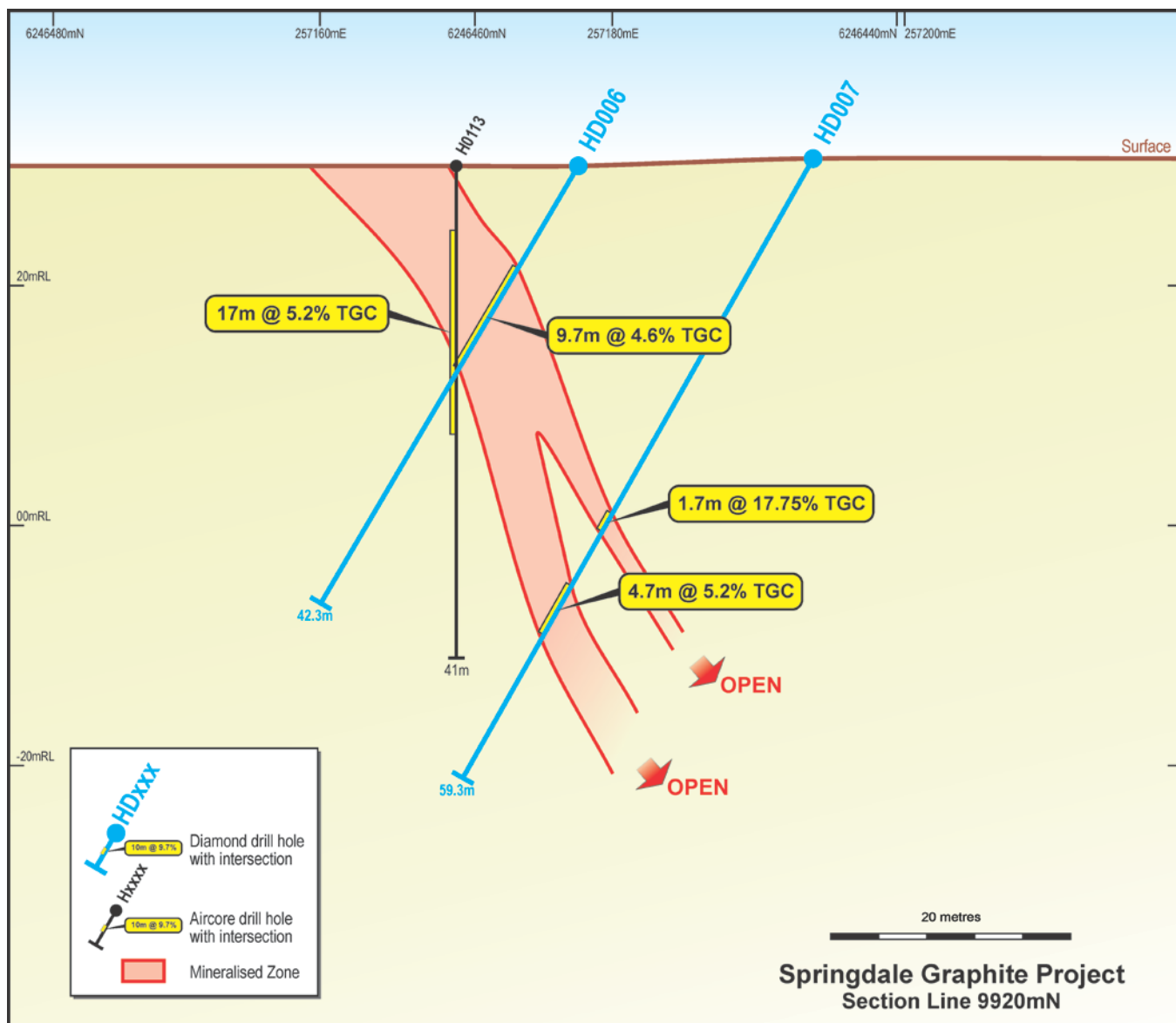




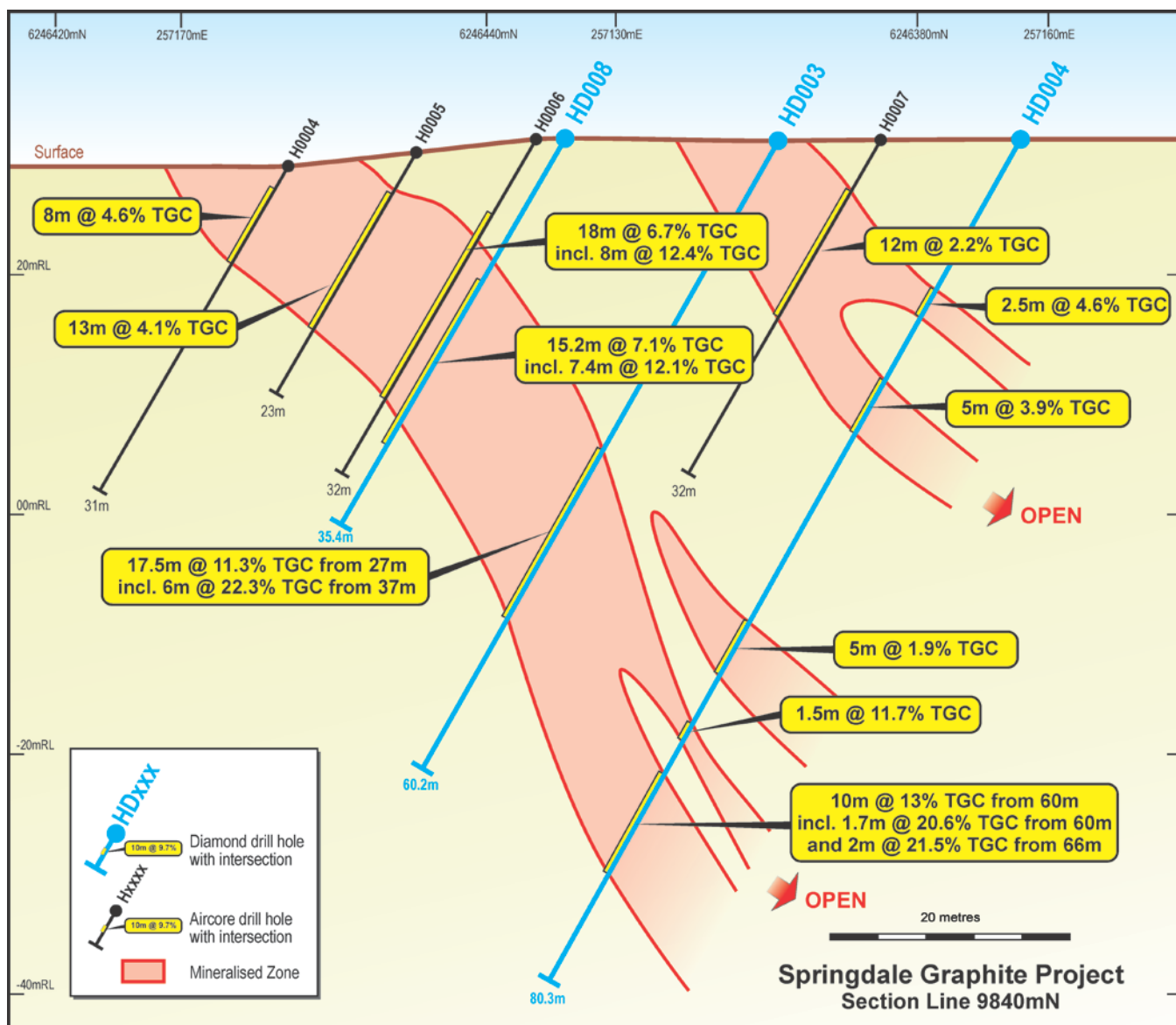
**Figure 6 – Section Line 10160mN.**



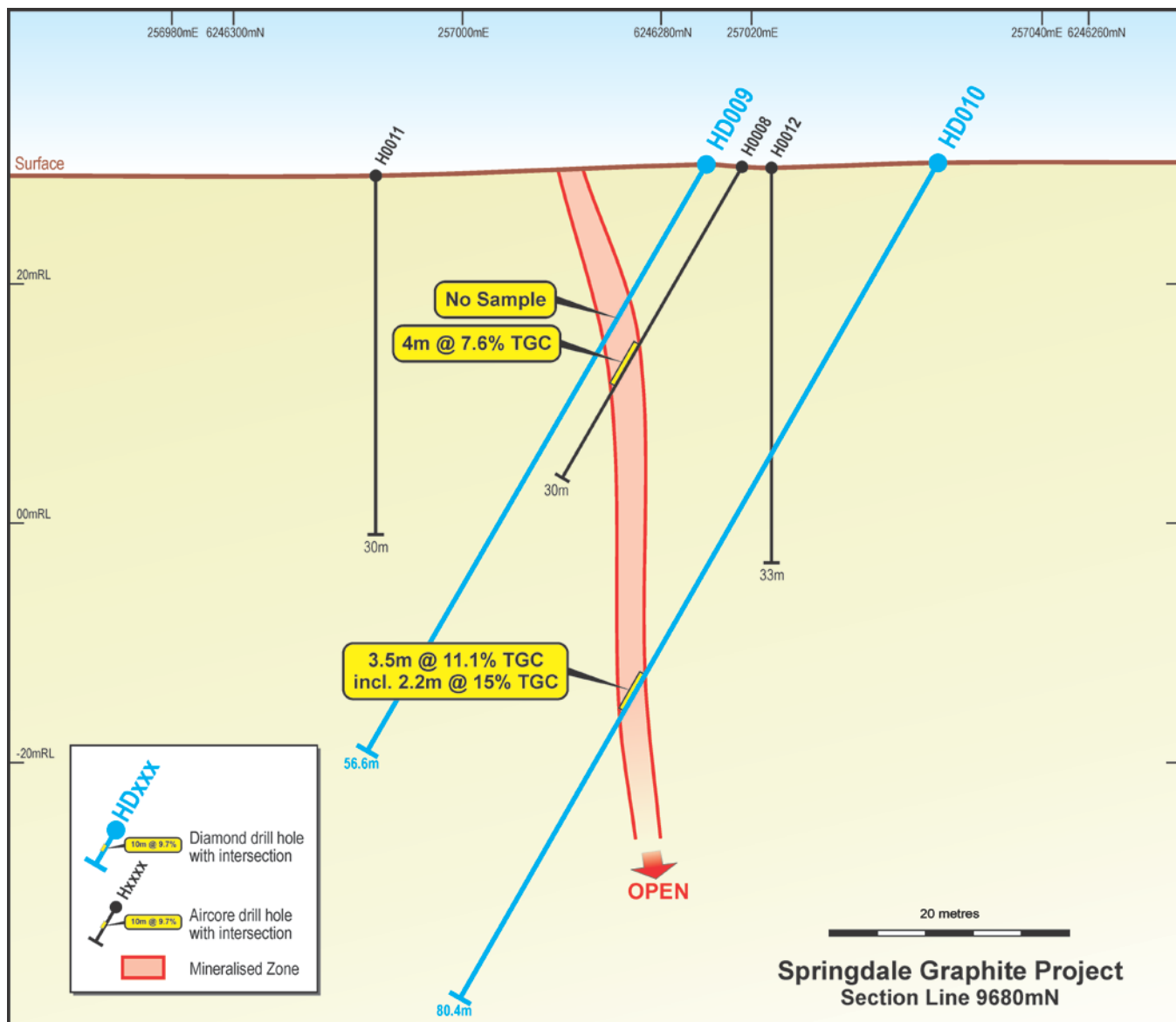
**Figure 7 – Section Line 10000mN.**



**Figure 8 – Section Line 9920mN.**



**Figure 9 – Section Line 9840mN.**



**Figure 10 – Section Line 9680mN.**



**Springdale Graphite Project  
Drill Hole Location Plan**

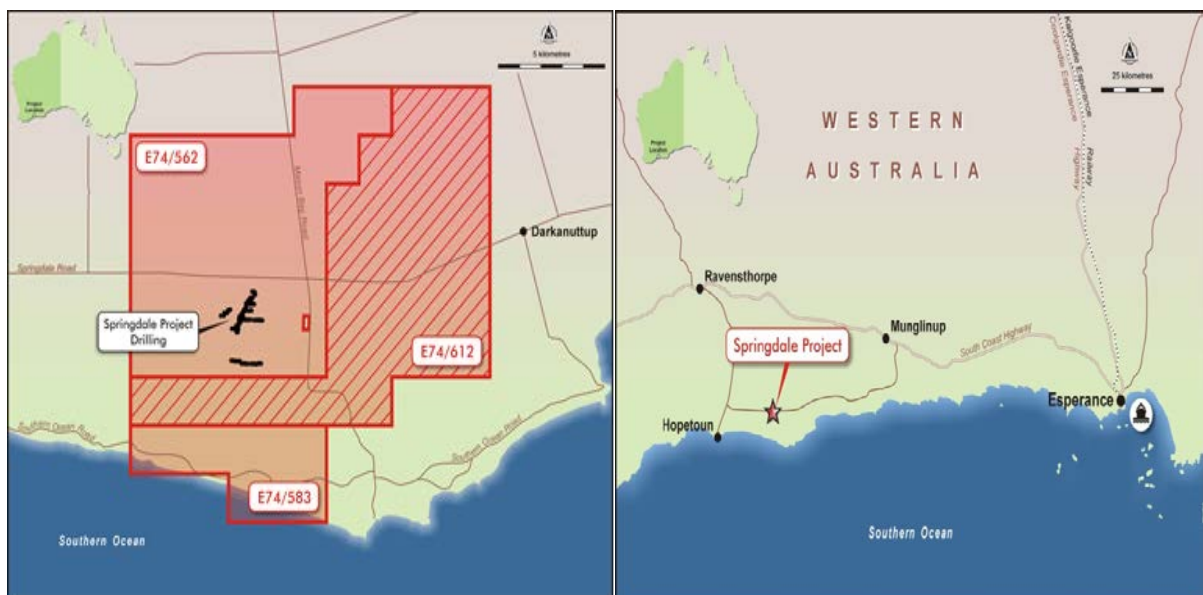
## Background

Comet's Springdale project is located approximately 30 km east of Hopetoun, Western Australia. The tenements lie within the deformed southern margin of the Yilgarn Craton and constitute part of the Albany-Fraser 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 owns 100% of the three tenement's E74/562, E74/583 and ELA74/612 that make up Springdale project. The total land holding at Springdale is approximately 220 square kilometres.

Comet completed a successful first pass aircore drilling program in February 2016. This program confirmed that graphite was present in a prospective zone/horizon. Following a second round program in September 2016, Comet has now drilled 113 aircore holes for 2,901 metres and 4 diamond holes for 282. Graphite mineralisation is still open along strike and at depth.

Comet has recently discovered that graphene can be produced from Springdale ore by electrical exfoliation. Metallurgical Testwork is continuing.



**Plan Showing Location, Tenements and Area Drilled to date**

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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 \$1.7 million and has approximately 164 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.

Table 2 – Springdale Project all significant drill intersections to date.

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
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
H09	1	22	21	3.2
H10	6	31	25	4
H0011	6	17	11	1.3
H0013	21	30	9	5.3*
H0014	3	5	2	1.9
	12	14	2	7.5
H0015	27	28	1	1.4
H0021	3	11	8	2.9
H0024	17	22	5	7.8
H0026	1	14	13	2.8
	24	30	6	2.7*
H0028	5	9	4	0.9
H0047	6	12	6	9.1
H0053	23	24	1	4.5
	28	32	4	2.7
H0054	22	27	5	2.0
H0055	8	14	6	1.7
H0056	34	35	1	2.5
H0057	5	16	11	1.8
H0058	17	21	4	2.3

Hole Number	From (m)	To (m)	Intersection (m)	Grade % TGC
H0059	23	24	1	1.4
H0061	9	20	11	5.2
H0063	26	34	8	1.3
H0064	16	19	3	4.0
H0065	7	20	13	10.9
H0080	4	6	2	2.5
H0082	8	13	5	4.0
	28	30	2	25.9*
H0100	17	21	4	6.6
H0101	27	29	2	1.2
H0104	27	36	9	7.3*
Including	29	32	3	18.2
H0109	20	23	3	4.2
H0110	15	19	4	1.2
	29	36	7	2.4
H0113	5	22	17	5.2
	16	22	6	7.9
	38	39	1	1.2
HD001	30.4	46	15.6	9.9
Including	31	38	7	20.8
HD002	44	53	9	9.9
HD003	27	45	17.5	11.3
Including	37	43	6	22.3
HD004	55.5	57	1.5	11.7
	60	70	10	13
HD005	5.4	6.2	0.8	3.49
	12.35	22	9.65	7.13
	28	29.6	1.6	8.45
HD006	9.9	19.6	9.7	4.58
	27.4	28	0.6	3.2
HD007	1.2	5.4	4.2	4.12
	34	35.7	1.7	17.75
Including	34.6	35.7	1.1	26.3
HD007	40.9	45.65	4.75	5.17
HD008	13.1	28.12	15.02	7.13
Including	19.5	26.87	7.37	12.09
HD008	32	35.4	3.4	2.49
HD009	32.75	33.65	0.9	7.11
	46.05	49.6	3.55	1.09
HD010	50.5	54	3.5	11.07

Hole Number	From (m)	To (m)	Intersection (m)	Grade % TGC
Including	50.5	52.68	2.18	15.05
HD010	57.85	58.4	0.55	11.15
	61.4	64	2.6	1.65
HD011	17.4	34.86	17.46	4.26
Including	20.2	24	3.8	10.84
and	33.1	34.86	1.76	10.06
HD011	39	40	1	1.36
HD012	14.75	15.65	0.9	3.49
	40.65	60.85	20.2	5.76
Including	47.9	58	10.1	8.99
HD013	45.4	55.6	10.2	1.25
	65.75	69.45	3.7	9.01
Including	67.55	68.5	0.95	22.6
HD013	73.2	79	5.8	10.96
	83.45	89	5.55	3.53
HD014	7.35	15	7.65	3.86
Including	9.65	11.9	2.25	8.3
HD014	26.1	29.6	3.5	6.31
Including	28.4	29.6	1.2	8.06
HD015	7.75	9.2	1.45	6.92
Including	8.1	8.9	0.8	9.87
HD015	14	22.8	8.8	4.39
Including	17.6	19.4	1.8	14.46
HD015	32.15	41	8.85	10.2
Including	32.15	34.05	1.9	26.22
HD016	8.5	24	15.5	7.48
Including	8.5	12.5	4	12.08
and	16.9	18.8	1.9	19.31
HD016	28	42	14	6.66
Including	33	36.25	3.25	20.16
HD017	9.55	20.3	10.75	7.6
Including	9.55	14.5	4.95	14.08
* End of hole				



## Appendices

### Collar locations HD005 – HD017

HOLE	TYPE	EASTING	NORTHING	RL	ZONE	ZONE	DIP	AZIMUTH	DEPTH
HD005	DDHQ	257223.0	6246520.9	30.1	MGA94_51	51	-60.0	304.0	35.4
HD006	DDHQ	257177.3	6246454.5	30.1	MGA94_51	51	-59.4	303.6	42.3
HD007	DDHQ	257193.9	6246444.3	30.6	MGA94_51	51	-60.5	304.8	59.3
HD008	DDHQ	257125.5	6246392.3	30.3	MGA94_51	51	-60.5	301.7	35.4
HD009	DDHQ	257016.4	6246277.2	29.8	MGA94_51	51	-59.9	305.0	56.6
HD010	DDHQ	257032.5	6246266.6	29.9	MGA94_51	51	-60.1	304.7	80.4
HD011	DDHQ	257299.6	6246665.0	28.4	MGA94_51	51	-59.4	304.0	44.6
HD012	DDHQ	257316.7	6246653.1	28.5	MGA94_51	51	-59.9	303.9	68.6
HD013	DDHQ	257336.9	6246640.5	28.5	MGA94_51	51	-60.0	302.7	90.4
HD014	DDHQ	258088.7	6246170.6	28.2	MGA94_51	51	-60.0	300.9	32.6
HD015	DDHQ	258100.4	6246163.2	28.0	MGA94_51	51	-60.4	309.1	46.5
HD016	DDHQ	257687.5	6247192.3	25.6	MGA94_51	51	-60.2	302.0	59.5
HD017	DDHQ	257694.0	6247267.0	25.7	MGA94_51	51	-50.4	124.0	38.5

### JORC Table 1

#### Section 1 Sampling Techniques and Data

Criteria	Explanation
<i>Sampling techniques</i>	Diamond drilling produced samples that were cut into ½ core one side of ½ core was cut to produce two sections of ¼ core. The ¼ core was sampled to produce an approximate two 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. Samples were submitted to ALS Laboratories in Perth. Samples were analysed for Graphitic Carbon.
<i>Drilling techniques</i>	Springdale Diamond drilling program comprised 13 drill holes which were completed by ONQ Exploration Solutions using a Desco 7000 rig. Triple tube HQ core was recovered.
<i>Drill sample recovery</i>	Overall recoveries were good in fresh and moderately weathered material (>90%). HD014-HD017 encountered reduced recoveries in highly weathered clayey zones. This impacts the representivity of sampling in these holes. A recovery percent for significant intersections is provided in Table 1 to indicate the confidence in sampling for each zone. .
<i>Logging</i>	Geological logging of the drill core was recorded for all holes, including lithology, mineralogy, grainsize, texture, weathering, oxidation, colour and other features of the samples. Drill core were not logged to any geotechnical standard and the data is insufficient to support Mineral Resource estimation at this stage. The drill holes were logged in full to the end of the hole.

<i>Sub sampling techniques and sample preparation</i>	Check and repeat samples have been 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 ALS laboratories in Perth WA for drying, pulverizing and splitting to prepare a pulp of approximately 200 grams which was analysed at ALS Laboratories in Brisbane Qld. The sample sizes are considered to be appropriate to correctly represent the sought after mineralisation style.
<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. Company generated blanks or standards were incorporated into the sampling procedure. ALS undertook their own internal checks and blanks.
<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 Navcon SF-3050 unit used for DGPS/DGNSS surveying and cross checked onto aerial photographs where relevant. The recorded locations used the MGA94 zone 51 datum and accuracy is limited to approx. 10 cm.
<i>Data spacing and distribution</i>	13 Diamond holes were completed. The spacing between these holes varied as indicated by the drill location image 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 structure</i>	The orientation of Comet's 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 and submitted to ALS sample preparation in Perth WA by Comet staff. 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>	<p>Archaean greenstone belt and the surrounding Archaean Munghlinup 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:</p> <ul style="list-style-type: none"> <li>a) Archaean style gold, nickel copper mineralisation in remnant greenstone and reworked Yilgarn Craton rocks; and</li> <li>b) Graphite mineralisation within metamorphosed Archaean granitic and sedimentary rocks.</li> </ul>
<i>Drill hole Information</i>	Drilling details are in the main body of this announcement.
<i>Data aggregation methods</i>	<p>Reported intersections are based on a weighted average of diamond sample intervals. These intervals vary as sampling was conducted to honour geological boundaries. Samples are not less than 0.2 metres or more than 2 metres in length. No upper cuts are applied. Internal dilution of up to 3 metres has been incorporated in intersection calculations. No metal equivalents have been used in this report.</p> <p>A lower 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 5% TGC.</p> <p>Sample recovery in the highly weathered portion of some holes was low (&lt;80%). Loss of recovery often coincided with interpreted high-grade graphite zones (as defined from previous drilling). Where sample loss was within a mineralised zone and there was reasonable expectation that the material was also graphitic an average grade of the sample above and below the core loss zone was applied to the interval to give a realistic intersection. The percentage recovery provided for each calculated intersection gives an indication of the confidence of the intersection.</p>
<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.