

16 July 2018

Drill Out Commences Targeting High Grade Northern Zone, Springdale Graphite Project

Highlights:

- A 2,500 metre RC and diamond drilling program to commence this week
- Drilling planned to test Northern Zone high grade graphite target
- Detailed drilling to test strike and dip extensions to high grade discovery holes including:
 - HR0082
19m @ 14.21% TGC (Total Graphitic Carbon) from 20m including 6m @ 27.34% TGC and 1m @ 33% TGC
 - HR0083
21m @ 14.57% TGC from 37m including 12m @ 21.75% TGC
 - HR0086
22m @ 7.63% TGC from 29m including 6m @ 15.23% TGC
 - HR0060
20m @ 19.3% TGC from 30m including 13m @ 25.8% TGC
 - HR0061
7m @ 16.3% TGC from 15m including 3m @ 35.1% TGC
15m @ 7.3% TGC from 24m including 2m @ 23.1% TGC
- Comet has been awarded \$150,000 EIS co-funding grant to assist with drilling costs
- The Northern Zone ticks all the boxes for a great new discovery including, high grade, shallow dip, near surface, close to infrastructure, low sovereign risk
- Graphene and Battery metallurgical testwork continues.

SPRINGDALE PROJECT WESTERN AUSTRALIA (100% CRL)

Comet Resources Limited (ASX: **CRL**) ("**Comet**" or the "**Company**"), is pleased to announce that a planned 2,500 metre reverse circulation (**RC**) and diamond drilling program will commence at the Springdale Graphite Project this week. This program will test a 2 km zone of the 4 km interpreted strike and depth extensions to the Northern Zone.

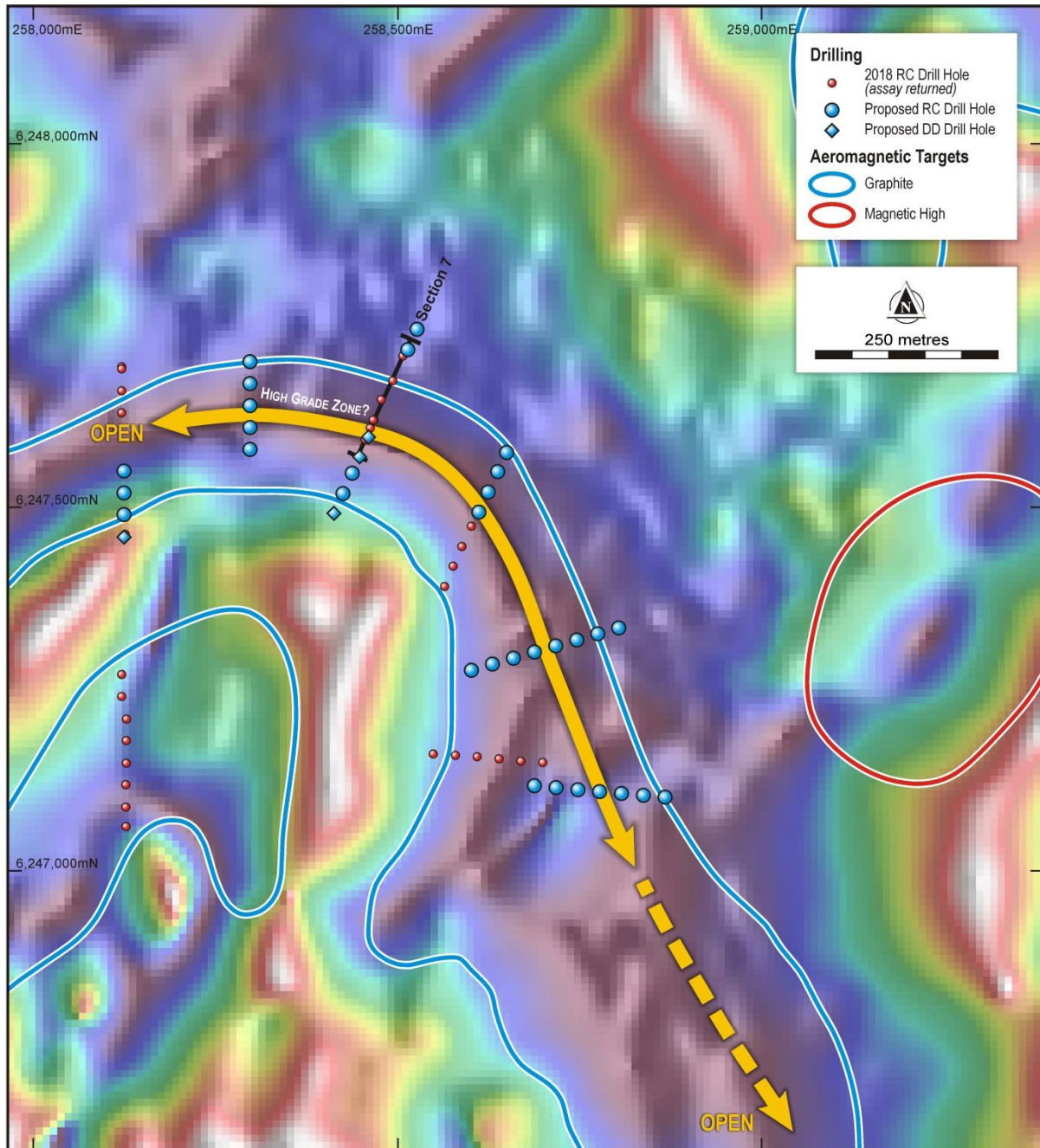


Figure 1: Map showing target prospective for graphite mineralisation

Comet received funding approval for up to \$150,000 from the Western Australian Government's Exploration Incentive Scheme (EIS) for planned drilling. Comet was the only graphite project to receive this grant. 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

The Northern Zone is located within an interpreted fold closure from Comet's aeromagnetic survey (Figure 2). This is a high priority structural target with good potential for thick high grade graphite horizons. The early 2018 drilling at this target was successful in locating a new broad high-grade graphite horizon (Figures 2 and 3), with the potential of this area is just starting to be understood. **The shallow dip and high grade (more tonnes per vertical metre containing high grade graphite) makes the Northern Zone a high priority target.**

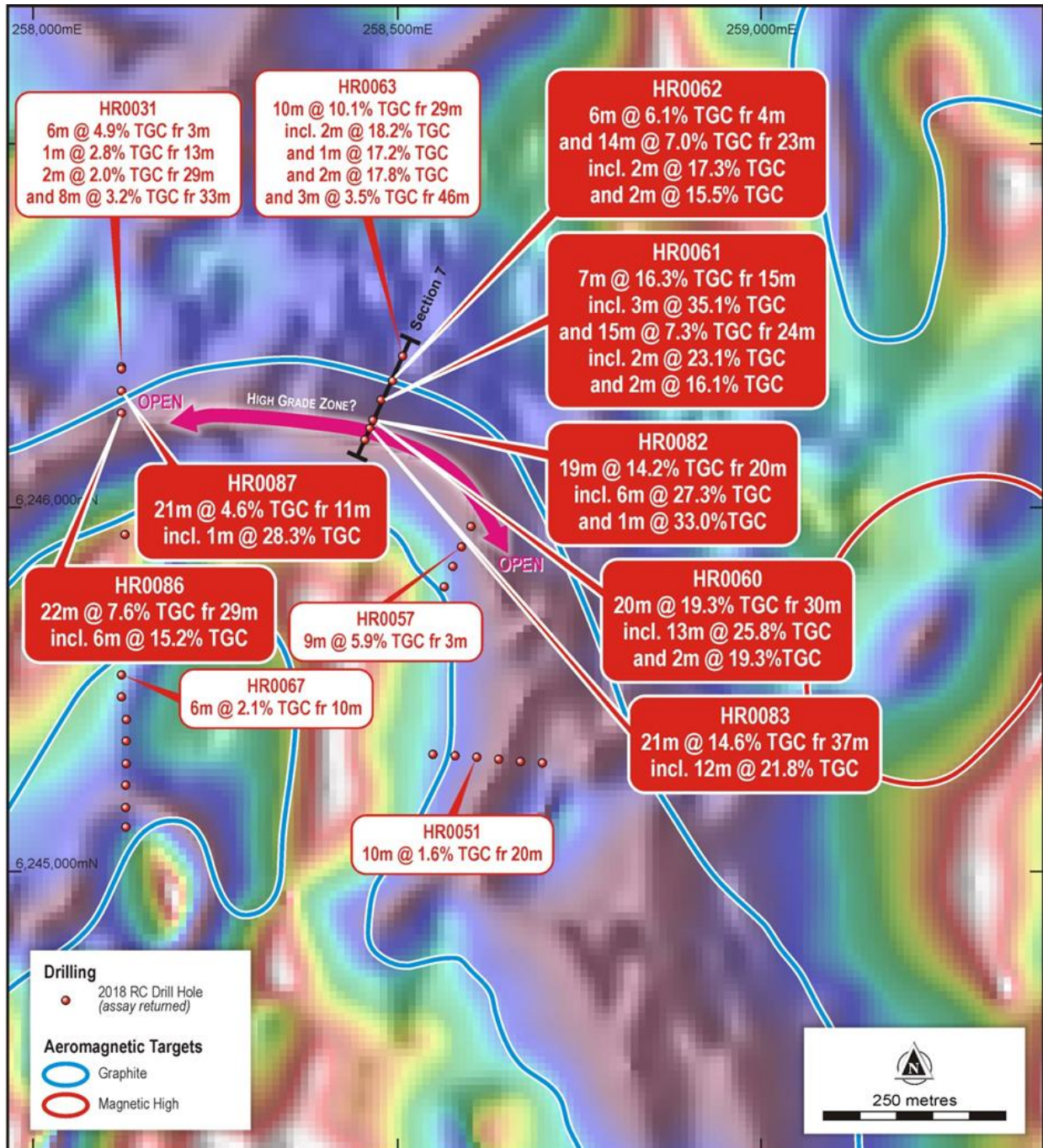


Figure 2 – Location of recent RC drilling covering the Northern Zone
Reduced to the pole (RTP) aeromagnetic image underlay

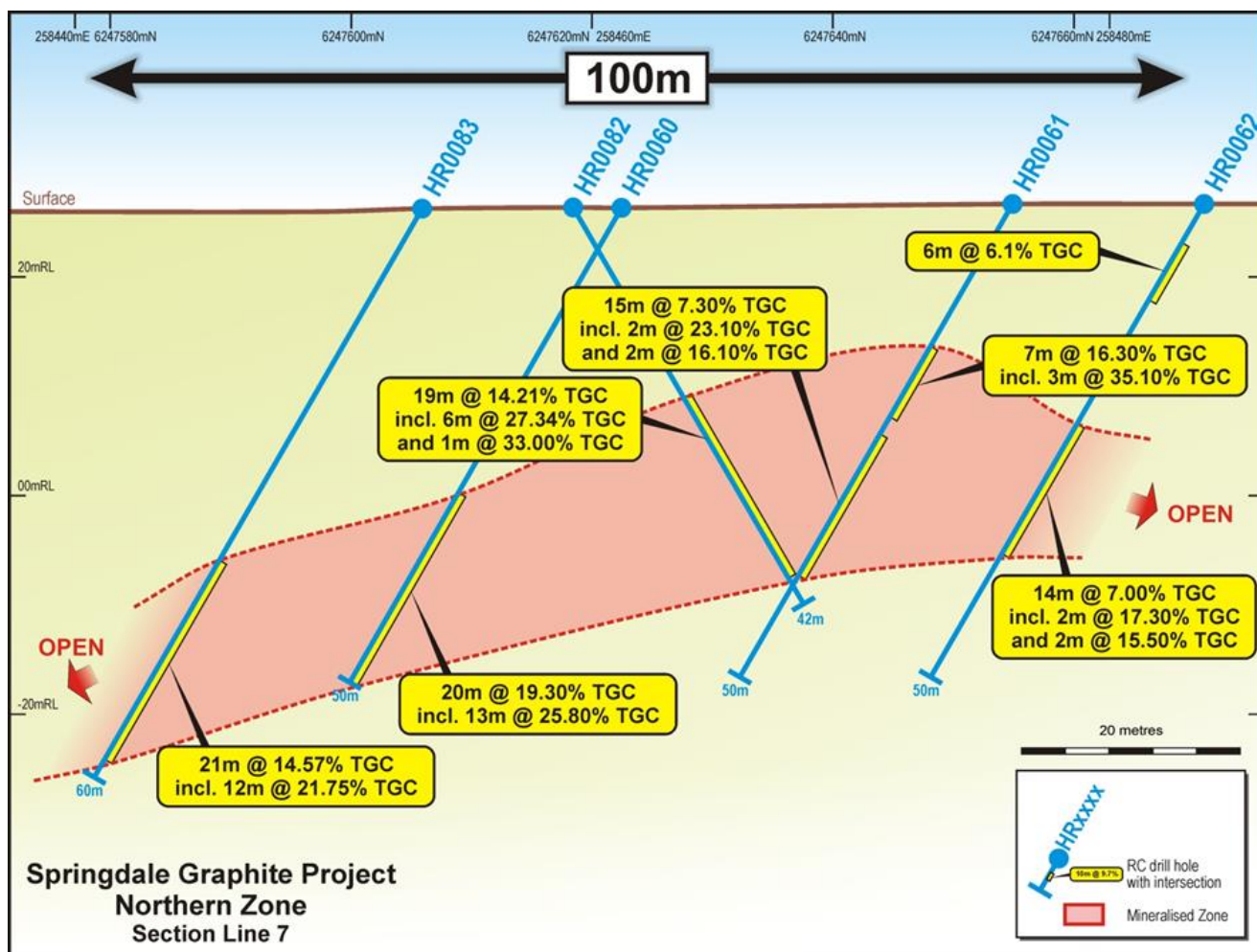


Figure 3: Section Line 7 (Northern Zone)

The Northern Zone is open at depth and along strike. Assay highlights from prior exploration programs include:

- **HR0082**
 - 19m @ 14.21% TGC (Total Graphitic Carbon) from 20m including 6m @ 27.34% TGC and 1m @ 33% TGC
- **HR0083**
 - 21m @ 14.57% TGC from 37m including 12m @ 21.75% TGC
- **HR0086**
 - 22m @ 7.63% TGC from 29m including 6m @ 15.23% TGC
- **HR0087**
 - 21m @ 4.57% TGC from 11m including 1m @ 28.3% TGC
- **HR0060**
 - 20m @ 19.3% TGC from 30m including 13m @ 25.8% TGC mineralised to end of hole.
- **HR0061**
 - 7m @ 16.3% TGC from 15m including 3m @ 35.1% TGC
 - 15m @ 7.3% TGC from 24m including 2m @ 23.1% TGC and 2m @ 16.1% TGC
- **HR0062**
 - 14m @ 7% TGC from 23m including 2m @ 17.3% TGC and 2m @ 15.5% TGC
- **HR0063**
 - 10m @ 10.1% TGC from 29m including 2m @ 18.2% TGC, 1m @ 17.2% TGC and 2m @ 17.8% TGC

Refer CRL ASX Release dated 17 April 2018 - More High Grade Intersections in Northern Zone

This discovery further demonstrates the potential for near surface high grade graphite mineralisation at the Springdale project.

Metallurgical testwork is progressing on qualitative processes and exploring other process routes in forming and extracting graphene from Springdale graphite.

-ENDS-

For further information please contact:

Mr Tony Cooper

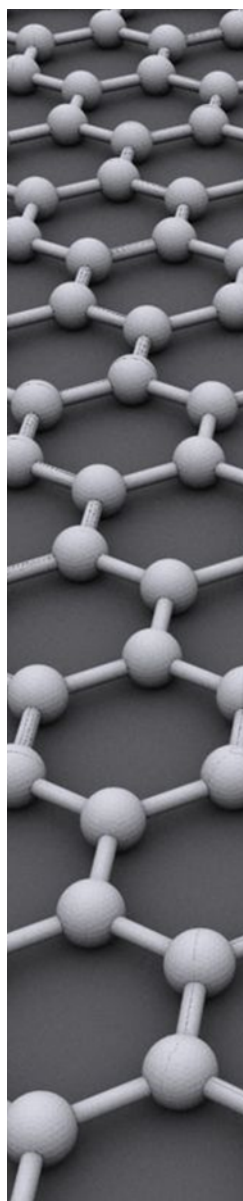
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ABOUT GRAPHENE



What is Graphene

Graphene is a natural material. Researchers theorised the existence of graphene in the 1940s; it was only in 2004 that a graphene sheet was isolated. In 2010 this achievement was awarded a Nobel Prize.

Graphite is stacked graphene sheets (a 1mm thick piece of graphite would be made from approximately 3 million sheets of graphene). Consider graphene as being a 2-dimensional (2D) material or sheet and graphite as 3-dimensional material, the challenge is to separate the 2D sheets from the 3-dimensional material.

Why Graphene

- It is the thinnest and toughest 2D material, 200 times stronger than steel.
- Graphene is flexible and transparent, has the largest surface area of all materials, and is the most stretchable crystal. The material is also extremely impermeable, even helium atoms cannot go through it. Graphene is currently the best electricity conductor known to man and is the perfect thermal conductor.
- Graphene is light - it weighs just 0.77 milligrams per square meter. Because it is a single 2D sheet, it has the highest surface area of all materials.

Graphene Production

There are two approaches to produce graphene and graphene-related materials. The first one is top-down, which means you begin with graphite and produce graphene. The second one is bottom-up: start with carbon in some form and synthesize graphene sheets or flakes. These production methods to date have been expensive.

Graphene Uses

Graphene's properties make it a wonder material that can be incorporated into a huge number of applications such as Coatings and paints, Composite materials, Conductive inks, Displays, Graphene thermal applications Energy containers, Membranes, 3D Printings, Sensors, Electronics, Energy generation, Photonics / Optics, Medicine and biology, Lubricants, Spintronics to list a few.

SPRINGDALE PROJECT

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. The tenements cover freehold land with sealed road access within 20km and are located approximately 150km from the port of Esperance. Comet owns 100% of the three tenement's (E74/562, E74/583 and E74/612) that make up the 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 (Western Zone). Comet has now drilled 93 RC holes for a total of 5320m, 113 aircore holes for 2,901 metres and 20 diamond holes for 1,193 metres. Significant intersections from drilling included;

Northern Zone

HR0060

- 20m @ 19.3% TGC from 30m including 13m @ 25.8% TGC and 2m @ 19.3% TGC

HR0061

- 7m @ 16.3% TGC from 15m including 3m @ 35.1% TGC
- 15m @ 7.3% TGC from 24m including 2m @ 23.1% TGC and 2m @ 16.1% TGC

HR0082

- 19m @ 14.21% TGC from 20m including 6m @ 27.34% TGC and 1m @ 33% TGC

HR0083

- 21m @ 14.57% TGC from 37m including 12m @ 21.75% TGC.

Western Zone

HD001

- 15.5m @ 9.9% TGC from 30.5m including 7m @ 20.8% TGC

HD003

- 17.5m @ 11.3% TGC from 27m including 6m @ 22.3% TGC

HD016

- 15.5m @ 7.5% TGC from 8.5m including 4m @ 12.1% TGC and 1.9m @ 19.3%TGC
- 14m @ 6.7% TGC from 28m including 3.25m @ 20.2% TGC

HD017

- 10.5m @ 7.6% TGC from 9.5 m including 4.95m @ 14.1% TGC

Eastern Zone

HD018

- 5.6m @ 7% TGC from 15.5m
- 4.6m @ 15.8% TGC from 40m including 3.1m @ 21% TGC
- 11m @ 25.6% TGC from 49m including 9 metres @ 30.2% TGC

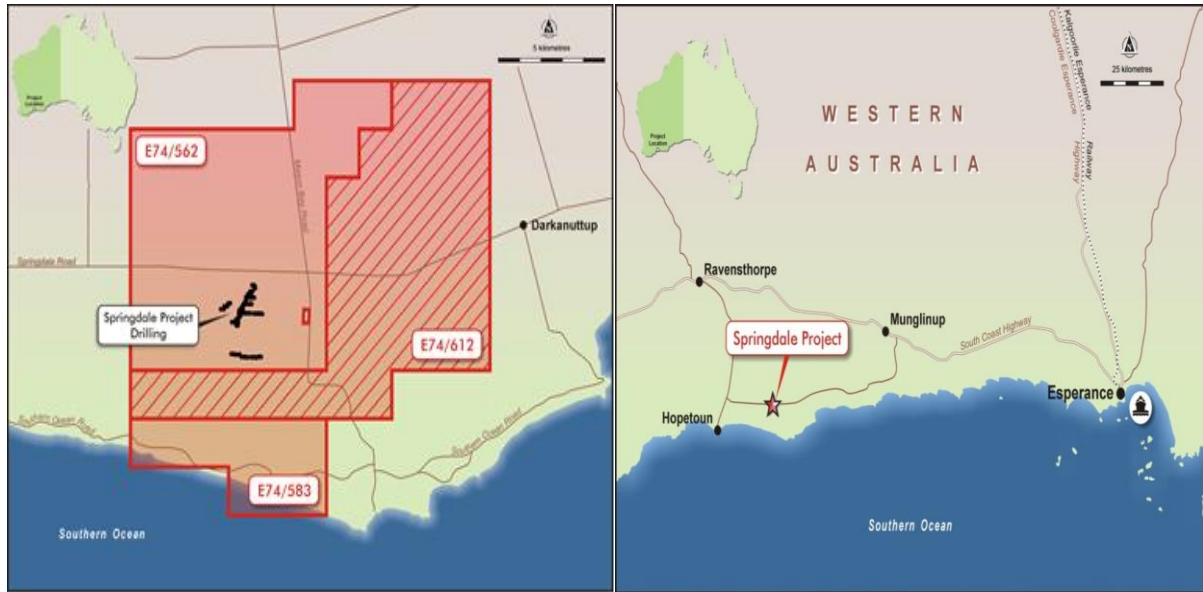
HR0036

- 12m @ 12.2% TGC from 26m including 5m @ 23.1% TGC

HR0069

- 6m @ 9.5% TGC from 38m including 2m @ 16.2% TGC
- 6m @ 18.3% TGC from 47m including 5m @ 21.7% TGC

Comet discovered in April 2017 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.



Project Location: Tenements and Area Drilled to date

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 million and has approximately 190 million shares on issue.

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.

Competent Persons Statement

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.