

Excellent Graphite Grades Achieved from Initial Metallurgical Test Work

Highlights:

- Final optimised flotation results achieve a total carbon (TC) grade of 96.9%
- Outstanding recovery of 92.5% of total TC in the sample
- Potential applications in high price graphite markets for anode material, and lubricants
- Further test work on graphene can now be advanced
- Due diligence work on Santa Teresa High Grade Gold Project progressing

Comet Resources Ltd (Comet or the Company) (ASX:CRL) is pleased to provide the results of metallurgical test work recently completed on material from the diamond drilling program at the Springdale Graphite Project in Western Australia in 2019. Both excellent grade and recoveries were achieved, demonstrating the potential to produce high value graphite products from the project. Further test work on end uses for the product can now be advanced once a bulk sample of the concentrate is produced. The graphite concentrate produced has a unique and potentially very valuable characteristic in its size distribution, with 2/3 of the product passing the 38 µm screen. Generally, this size fraction of graphite is mainly a by-product of processing of larger flake fractions, which produces smaller size graphite, but this damages the flakes in the process, reducing their performance and value. Deposits that contain high quality ultra-fine graphite are uncommon, and as a result potential very valuable.

Comet Managing Director, Matthew O'Kane, commented, ***"The results of this test work, delivering a very high grade, with high recoveries and producing a very unique and potentially high value product, demonstrate the potential for an economic project at Springdale. While large flake graphite is paid a premium versus mid-size flake, high quality super fine products attract prices in excess of large flake, with battery anode spherical uncoated product at 25 microns attracting prices of US\$2800/t and at 10 microns US\$3800/t. Further test work will determine the amenability of the Springdale product for these anode applications. In parallel with this test work we are continuing to advance the due diligence work on the Santa Teresa High Grade Gold Project and preparation for the initial drill program at the Barraba Copper Project."***

Further optimisation testing has continued under management of Independent Metallurgical Operations (IMO) on the flotation regime to further reduce both capital and operating cost requirements whilst increasing concentrate grade by assessing:

- A reduction in the number of flotation and concentrate grinding stages;
- Further optimisation in the reagent additions.

Multiple tests have been conducted for the optimisation testing which has indicated:

- Reagent consumptions can be reduced by 47% with no detrimental effect to overall product grade and recovery;

- Flotation stages can be reduced by 36%, further reducing capital and operating cost requirements.

Further test work on a 5-10kg sample of float concentrate in Europe is designed to convert the concentrate obtained by flotation into value added saleable products.

Three different processes are to be investigated:

- Purification to carbon content above 99.9%, as these carbon levels pave the way for high tech applications like usage in batteries;
- Micronizing for products which require well defined small flake graphite particle for their end uses e.g. in lubricants, powder metallurgy applications or in carbon brushes;
- Spheronisation for usage in Lithium-Ion-Battery Anodes for the rapidly expanding market for electrical vehicles due to the global drive to de-carbonise the transport network

These test work streams are designed to confirm the suitability of Springdale Project graphite as a precursor material for these high value added products.

The next step is to first produce the required bulk sample of float concentrate for shipment to the facilities in Europe. This work is expected to be completed during the quarter, with testing of the concentrate planned to commence afterwards.

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

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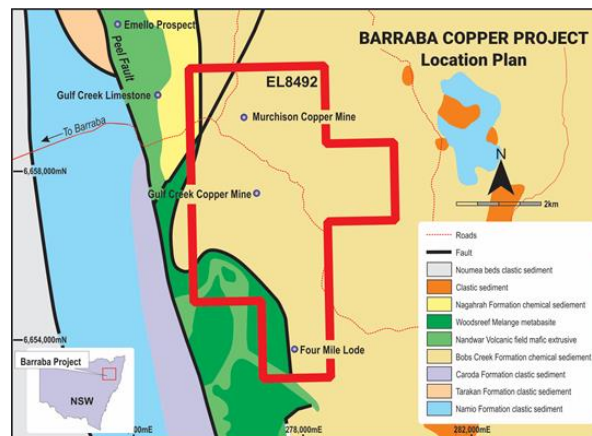


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About Comet Resources

- Barraba Copper Project (NSW)

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 volcanogenic massive sulphide (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.



- Springdale Graphite Project (WA)

The 100% owned Springdale graphite project is located approximately 30 kilometres east of Hopetoun in south Western Australia. The project is situated on free hold 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 three tenement's (E74/562 and E74/612) that make up the Springdale project, with a total land holding of approximately 198 square kilometres.



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.

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.