

Quarterly Activities Report – June 2023

Comet Resources Limited (**Comet** or the **Company**) (**ASX:CRL**), is pleased provide the Quarterly Activities Report and Appendix 5B for the quarter ending 30 June 2023 (the **Quarter**).

On 24 May 2023, CRL announced the discontinuation of the proposed acquisition of the Mount Margaret Copper Project. The decision was in response to on-going adverse market conditions, which have resulted in the Company not being able to fulfill all the conditions precedent for the acquisition.

The directors of Comet had resolved to withdraw the offers the subject of the Company's prospectus dated 24 February 2023 (**Prospectus**). As a result, the securities for which shareholder approval was received at the Company's general meeting held on 27 March 2023 were not issued.

Following the decision, the Company has submitted an application to the ASX to seek re-instatement of its shares to trading based upon the Company's current assets. Once the Company has received advice from the ASX on the process for re-instatement, and any conditions required to be met prior to re-instatement of the shares to trading, shareholders will be updated via an ASX announcement and webinar. It should be noted that there is no guarantee that the ASX will approve re-instatement.

The decision to terminate the Mount Margaret Copper Project acquisition has allowed Comet to re-focus on its existing high quality copper portfolio and pursue other opportunities as they become available. Furthermore, in addition to its copper assets, the Company continues to hold 40,000,000 shares in International Graphite Limited (ASX:IG6).

Post quarter end, on 26 July 2023 the Company provided an update to shareholders.

Key points of the update were:

- **The Company is seeking to raise up to \$1.5m in secured convertible loans to support reinstatement of its shares to trading on the ASX. A shareholder meeting will be announced shortly to seek relevant approvals**
- **An entitlement issue, which will give all eligible shareholders the right to participate, will also be launched to raise additional funds to meet the financial conditions for reinstatement should the Company receive approval from the ASX for reinstatement. An application for reinstatement is currently with the ASX for review**
- **International Graphite Limited (ASX:IG6) will subscribe for \$250K in the convertible loans and may also underwrite a portion of the entitlements issue as part of a plan to further increase ties with Comet**
- **To maximise the amount of cash available for future exploration, Management and the Board plan to convert existing debts of up to \$400K into equity by partially underwriting the entitlements issue**
- **The Managing Director will also forgive \$50K in salary and work on half salary until the Company is reinstated**

The plan to issue up to \$1.5 million in convertible loans is being undertaken to support the Company's aim to requote its shares on the ASX. Full details of the terms of the convertible loans are provided in the Company's ASX release of 26 July 2023. The proceeds of the convertible loans will be used by Comet to progress exploration at the Barraba Copper Project in New South Wales and the Northern Territory base and precious metals projects and provide working capital as we seek to complete the process for re-quotation of our securities.

In addition to its exploration assets, the Company continues to hold 40,000,000 shares in International Graphite Limited. These shares are escrowed until 7 April 2024.

International Graphite Limited (**IG**) will contribute \$250,000 into the convertible loan and will act as security trustee for convertible loan investors. IG may invest further into Comet by providing underwriting for a portion of the planned entitlement issue. Both IG and Comet plan to increase ties further over time.

Corporate Activities:

The following options expired during the Quarter:

- 2,086,957 options exercisable at \$0.335 on 30 June 2023
- 1,050,000 options exercisable at \$0.22 on 30 June 2023
- 1,050,000 options exercisable at \$0.18 on 30 June 2023

Pursuant to Section 6 of the Appendix 5B, to preserve cash, the Company did not pay cash executive director fees, or superannuation and wages to the board of Comet Resources Limited during the quarter. These costs were instead accrued. Expenditure incurred from operating and investing activities during the Quarter relates to legal and technical due diligence in regard to project acquisitions, exploration costs and for general working capital purposes (the **JUN Q** Expenditure). A further breakdown is included below.

JUN Q Exploration Expenditure Summary

Project	Description	Amount (\$'000)
General exploration and Evaluation	<ul style="list-style-type: none"> • Tenement access, administration and management • Tenement Legal 	18
Total		18

JUN Q Administration and Staff Expenditure Summary

Description	Amount (\$'000)
<ul style="list-style-type: none"> • Accounting, Office Administration & rent, Audit and Secretarial 	3
<ul style="list-style-type: none"> • ASX Fees 	-
<ul style="list-style-type: none"> • Non-executive Director Fees 	-
<ul style="list-style-type: none"> • Managing Director Fees 	-
<ul style="list-style-type: none"> • Marketing, subscriptions, Investor relations, Insurance, Printing and postage 	18
<ul style="list-style-type: none"> • Other legal, admin and corporate 	4
Total	43

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

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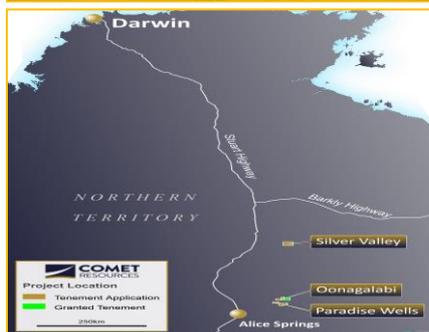
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About Comet Resources



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.



Northern Territory Projects (NT)

The portfolio of Northern Territory exploration licenses and exploration license applications covers an area of approximately 840km². Although historical exploration results were indicative of near surface gold and copper mineralisation, very limited modern exploration has occurred. Comet plans to utilise modern exploration techniques to rapidly advance the scale of known mineralisation, especially where known geophysical and geochemical anomalies exist that have not been comprehensively drill tested.

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.

Appendices

Tenement List

Project	Location	Tenement	Interest
Barraba	NSW	EL8492	80%
	NT	EL32279	100%
Northern Territory Assets		EL32190	100%
		EL32241	100%

ASX Listing Rules Compliance Statement

In preparing the Quarterly Report for the period ended 30 June 2023 and to date, the Company has relied on the following ASX announcements. This report contains information extracted from ASX releases and reports cited herein. These are available to view on the website. In relying on the following ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the following announcements or this quarterly report for the period ended 30 June 2023 and to date.

ASX Announcement	26/07/2023	Company Update
ASX Announcement	07/07/2023	Notification of cessation of securities - CRL
ASX Announcement	24/05/2023	Mount Margaret Copper Project update
ASX Announcement	20/01/2022	Second Supplementary Prospectus
ASX Announcement	05/01/2022	UPDATE ON MOUNT MARGARET COPPER PROJECT ACQUISITION
ASX Announcement	25/11/2022	SUPPLEMENTARY PROSPECTUS
ASX Announcement	20/10/2022	PROSPECTUS
ASX Announcement	12/10/2022	Notice of General Meeting/Proxy Form
ASX Announcement	16/09/2022	Comet Acquires Strategic Qld Copper Project from Glencore
ASX Announcement	27/03/2023	Extension of Closing Date
ASX Announcement	27/03/2023	Results of Meeting
ASX Announcement	16/03/2023	Half Year Accounts
ASX Announcement	27/02/2023	Investor Webinar with CRL MD - Mount Margaret Copper Project
ASX Announcement	24/02/2023	PROSPECTUS
ASX Announcement	24/02/2023	Notice of General Meeting/Proxy Form
ASX Announcement	21/02/2023	Update - Proposed issue of securities - CRL
ASX Announcement	21/02/2023	Update - Proposed issue of securities - CRL
ASX Announcement	21/02/2023	CRL Acquisition - Strategic Qld Copper Project from Glencore
ASX Announcement	15/02/2023	Notification of cessation of securities - CRL
ASX Announcement	31/01/2023	Quarterly Activities Report and Appendix 5B Dec 2022
ASX Announcement	20/01/2023	Second Supplementary Prospectus
ASX Announcement	5/01/2023	UPDATE ON MOUNT MARGARET COPPER PROJECT ACQUISITION

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Comet Resources Limited

ABN

88 060 628 202

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(18)	(90)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	(100)
(e) administration and corporate costs	(27)	(333)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	122
1.8 Other (IG6 GST Paid)	(1)	(358)
1.9 Net cash from / (used in) operating activities	(43)	(742)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	100
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Raptor Financing)	-	-
3.10	Net cash from / (used in) financing activities	-	100

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	60	658
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(43)	(641)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	17	17

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	12	55
5.2	Call deposits	5	5
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17	60

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(43)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(43)
8.4 Cash and cash equivalents at quarter end (item 4.6)	17
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	17
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.38
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The Company expects net operating cash outflows to increase as we commence exploration programs at the Barraba Copper Project during the September quarter.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: As per the recent ASX release on 26 July 2023, the Company is now working to issue up to \$1.5 million in convertible loans. As of the date of this release the Company has executed loans for \$830K with proceeds of \$635K received to date and the balance to arrive shortly. The Company is confident it will raise further funds under the offer.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: As per the recent ASX release on 26 July 2023 and as per the response to 8.8.2 the Company does expect to be able to continue its operations and meet its business objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31/07/2023.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.