

Capital Raising of \$650,000 closed and Barraba Copper Project Acquisition Completed

Highlights:

- Comet has successfully closed a placement of \$650,000 at \$0.01 per Share, re-affirming support for the Barraba Copper Project
- Barraba Copper Project acquisition now completed under amended terms that includes a reduction in consideration Shares from \$450K to \$200K
- Comet continues to see strong outlook for copper as the COVID-19 crisis passes
- Initial Barraba Project drilling program to commence once current travel restrictions are eased

Comet Resources Ltd (Comet or the Company) (ASX:CRL) is pleased to advise that it has received subscriptions for \$650,000 under a placement (Placement) of 65,000,000 fully paid ordinary shares (Shares) in the capital of the Company, together with one free attaching option (exercisable at \$0.02 on or before 30 June 2021) for each Share issued, to support the acquisition of the Barraba Copper Project in NSW (Acquisition) and initial project works.

A portion of the Placement will be conducted under the Company's current placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A through the issue of 54,000,000 Shares at a price of \$0.01 per Share (satisfying the minimum pricing condition under ASX Listing Rule 7.1A.3) with the balance of 11,000,000 Shares under the Placement to be issued following receipt of shareholder approval. A Notice of General Meeting will be lodged in due course, seeking shareholder approval for the issue of Placement Shares in excess of the Company's current 7.1 and 7.1A capacity, as well as for the free attaching 1 for 1 Placement options expiring 30 June 2021 and exercisable at \$0.02. This capital raise replaces the previously announced capital raise at \$0.025 per Share (ASX 18 February 2020) which has now been withdrawn.

Comet Managing Director, Matthew O'Kane, commented "I'm very pleased that we have been able to work with our advisors and the vendors of the Barraba Project to come up with terms that enable us to continue with the acquisition and proceed with a placement that is sized to reflect current market conditions. I am now looking forward to the initial field exploration program at Barraba as soon as logistical and regulatory conditions permit."

Comet believes that copper is set to see an increase in demand due to the global efforts to reduce emissions from the transport network and also from generation of renewable electricity. Copper is not only an important part the batteries used in BEVs, but is also used extensively in the electric motors that drive the wheels of BEVs, and is also used intensively in the generation of electricity from renewables, such as solar and wind. There is also significant potential for post Covid-19 fiscal spending initiatives by governments to provide further demand for copper.

The Barraba Copper Project has never been systematically tested by modern exploration techniques. The initial exploration program will include drill testing of areas below the historically identified deposits, plus high-level exploration targets delineated by an induced polarisation (IP) survey of parts of the license area that were never followed up. To complement the drill testing we will also complete downhole geophysics with the aim of providing additional information about

potential parallel and blind lodes, in addition to the known historical lodes. As volcanogenic massive sulphide (VMS) deposits often occur in clusters, we are excited about the potential for new discoveries on the Barraba Copper Project though new exploration works and testing the extent of the previously discovered and partially mined lodes.

The key terms of the acquisition of the Barraba Copper Project which were announced to the market in the Company's press release on 23 January 2020 have been varied as follows:

- (a) the Cash Consideration of \$150,000 payable by the Company shall be paid as follows:
 - (i) \$50,000 on execution of the Agreement (which amount has now been paid);
 - (ii) \$50,000 on execution of the variation deed (which amount has now been paid); and
 - (iii) \$50,000 on the date that is 6 months following the date of the variation deed, being 15 October 2020;
- (b) the \$450,000 aggregate value of the Consideration Shares to be issued by the Company shall be reduced to \$200,000 at a deemed issue price of \$0.01 per Share, which will be issued out of the Company's placement capacity under ASX Listing Rule 7.1;
- (c) the quantum of the capital raising required in order to satisfy the condition precedent to completion of the Acquisition is reduced from \$2,000,000 to \$500,000, which will be satisfied upon completion of the Placement;
- (d) the Company's entitlement to buy down the 2% net smelter return royalty has been removed from the Agreement; and
- (e) the End Date for satisfaction of the Conditions has been extended from 30 March 2020 to 30 June 2020.

Summary of the Capital Raising:

Under the terms of the offer the Company has received firm commitments for the issuance of 65,000,000 Shares at a subscription price of \$0.01 per Share. The Company will also issue subscribers one unlisted option with a strike price of \$0.02 and an expiry of 30 June 2021 for each Share issued under the offer.

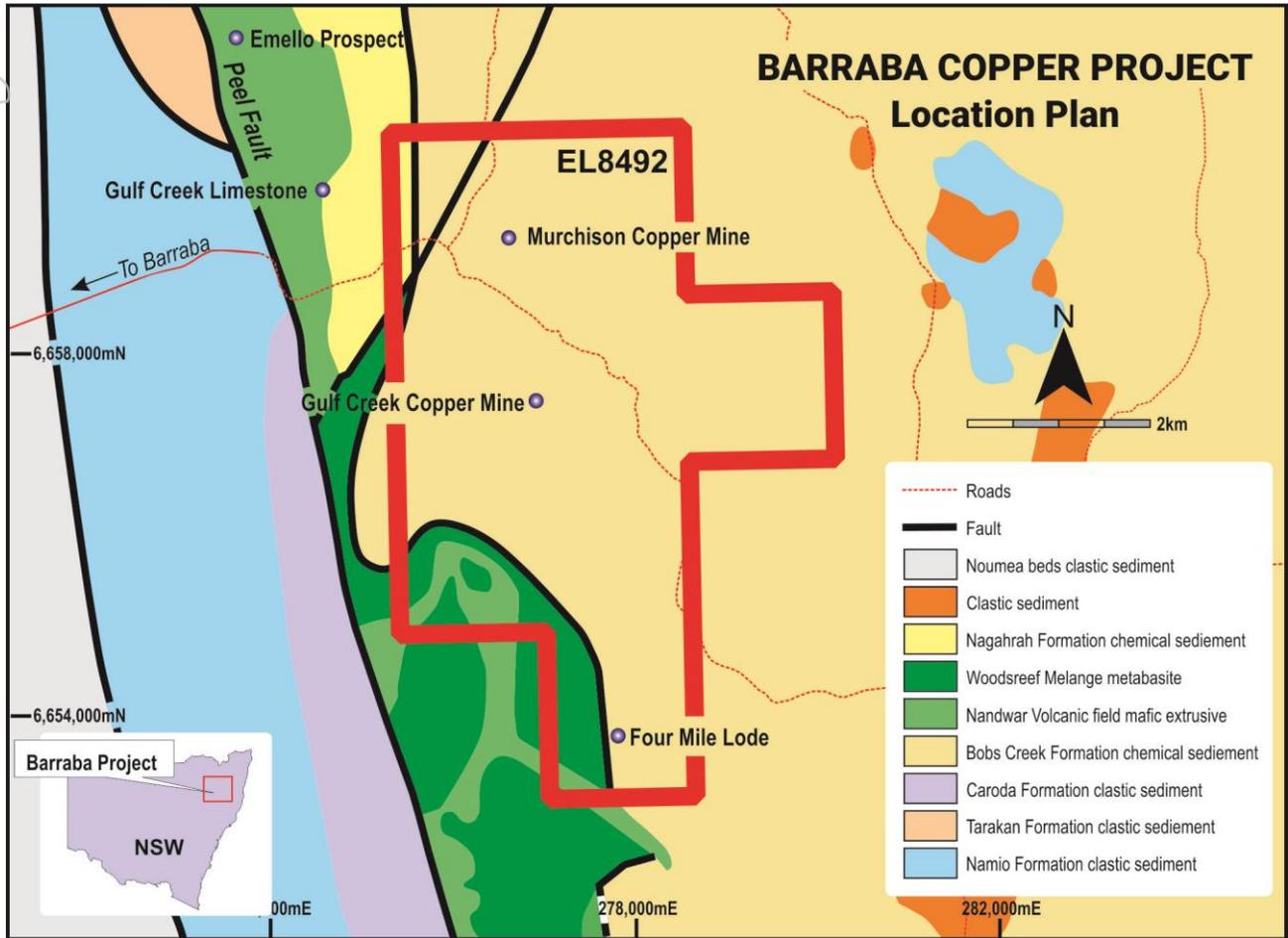
Shares issued pursuant to the capital raising will first be issued pro-rata to subscribers from the Company's available 7.1 and 7.1A capacity, with the balance of the Shares to be issued as well as the free attaching placement options being subject to shareholder approval. The Company expects to lodge the notice of general meeting shortly.

Summary of the Barraba Copper Project

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 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.

Empire Capital Partners Pty Ltd have been engaged as the lead manager to the offer and will receive a distribution fee of 6% on monies raised and a \$35,000 lead manager fee. Subject to shareholder approval, the Company will issue Empire, a number of Options that is equal to 6% of the Options to be issued under the Barraba Capital Raising on the same terms and conditions (being, 3,900,000 Options on 65,000,000 Options to be issued under the Barraba Capital Raising).

Regional Geology of the Barraba Copper Project:



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

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About Comet Resources

In addition to the proposed acquisition of the Barraba Project, Comet is the 100% owner of the Springdale graphite project, located approximately 30 kilometres east of Hopetoun in south Western Australia. The project is situated on freehold 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 two tenement's (E74/562 and E74/612) that make up the Springdale project.



Key information on the Springdale Graphite Project

- Comet completed a first pass aircore drilling program in February 2016, which confirmed that graphite was present (Western Zone).
- In September 2017 a 220km² detailed aeromagnetic survey was conducted (*ASX 10 Nov 2017*). Interpretation delineated 26 kilometres of stratigraphy deemed to be prospective for graphite mineralisation. Less than 20% of the identified stratigraphy has been drill tested indicating the potential scale of the Project.

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- The Northern Zone was defined as a high priority drill target. RC drilling completed between December 2017 and February 2018 was successful in identifying high grade graphite mineralisation in the Northern Zone.
- Comet released a Maiden Resource (*Table 1*) at the Springdale Graphite Project late 2018 that incorporated the Northern, Western and Eastern Zones (*ASX 6 Dec 2018*).
- The high-grade portion of the Inferred Mineral Resource is 2.6Mt at 17.5% Total Graphitic Carbon (TGC) (*Table 1*).
- Metallurgical test work in April 2017 proved 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 on solid, untreated rock.
- The discovery of two new high-grade zones of graphite mineralisation was announced in May 2019. The results of the drilling program confirmed that electromagnetic surveys could be used as a targeting tool for shallow, high-grade graphite mineralisation (*ASX release 7 May 2019*).
- In October 2019 an aerial electromagnetic survey identified numerous shallow high-grade graphite targets, many of which are in close proximity to existing resources (*ASX 15 Oct 2019*).

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.

Competent Persons Statement

The information in this report that relates to Mineral Resources is based on information compiled by Matthew Jones, who is a Competent Persons and Member of The Australasian Institute of Mining and Metallurgy. Matthew Jones is a consultant and was previously Exploration Manager of the Company. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Matthew Jones consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

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.

Table 1:

Springdale Project Mineral Resource estimate reported at a $\geq 2\%$ TGC cut-off grade

Domain	Tonnes (Mt)	Density (t/m ³)	Graphite (TGC%)	JORC Classification
High grade	2.6	2.1	17.5	Inferred
Low grade	13.0	2.2	3.7	Inferred
Total Resources	15.6	2.2	6.0	Inferred

Note – Inferred Resources have only been reported from within mineralised wireframe domains defined by a nominal 2% TGC cut-off for low-grade and a nominal 15% TGC cut-off for high-grade to a nominal depth of 100m.

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