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The Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: Option to Sell Interest in Yalgoo Project

The Directors of Comet Resources Limited are please to announce that they have granted an option to 2nd July 2003 in favour of Prosperity Resources Limited (Prosperity) to acquire Comet's Yalgoo tenements that are prospective for gold. Comet is to retain a 100% interest in the highly prospective Yalgoo base metal Project.

Prosperity has paid a non-refundable \$30,000 option fee to Comet to acquire the option. The option is exercisable by Prosperity issuing to Comet 6,000,000 ordinary fully paid shares and 2,000,000 options expiring on 31st May 2005. In addition, Comet shall have the right to nominate one Director to the Board of Prosperity. Comet shareholder will have priority in purchasing Prosperity shares during Prosperity capital rising.

The option is only exercisable by Prosperity if Prosperity is granted admission to the Official List of the Australian Stock Exchange Limited.

Prosperity will shortly be issuing a prospectus to raise \$2,800,000 via the issue of 29.8 million fully paid shares. Prosperity has assembled a collection of highly prospective gold tenements in the Murchison province of Western Australia and it is expected that the Company will be ready to list on the ASX by May 2003. As at the date of listing Comet will hold approximately 20% of the issued capital of Prosperity.

For further information, please contact either Mr RO Jones or Mr AR Cooper on 08 9322 5330.