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

Dear Sir/Madam

DECEMBER QUARTER ACTIVITIES REPORT

Quarter Highlights

- **Heritage agreements signed for Devine and Utopia Nickel Projects.**
- **New tenement ELA28/1412 added to the Utopia Project.**
- **Comet holds 6 million shares and 2 million options in newly listed Prosperity Resources Limited.**

During the quarter Comet reviewed and bid on several advanced projects and completed field trips to three of its new projects to confirm historic data and review project logistics.

Yalgoo Base Metal Project (100% Comet)

The Yalgoo Base metal project has over 35 kilometres strike length of prospective felsic volcanic unit, which is believed to be equivalent to the felsic volcanic unit that hosts Newmont Mining Corporation's Golden Grove mine. The Golden Grove mine, which has been producing since 1990 and still has over 20 million tonnes in resources, is a world class base metal deposit and is, located

just 50 Kilometres to the south of Comet's project. This style of deposit normally occurs as clusters along a prospective horizon within the felsic unit.

A review of other exploration methods was conducted including remote sensing techniques. It has been decided that an airborne electromagnetic (EM) survey would provide valuable data to assist Comet in targeting Golden Grove style deposits.

An airborne electromagnetic (EM) survey is an aerial geophysical prospecting technique used for the direct detection of conducting ores. An alternating electromagnetic field is transmitted from an aircraft. This field is received by the conducting body in the Earth and reradiated with some change in phase. The resultant field is picked up by an electromagnetic detector, towed behind the aircraft.

The survey will cover the whole 35 kilometre strike length of the prospective felsic unit and will locate conductive bodies in at least the top 300 metres. A drill program and ground EM survey will be used to test and define these conductive bodies. A survey has been booked with an international contracting firm and is expected to start in March. Due to rain and rig availability no drilling was completed during the quarter

Devine Project ELA37/772 (100% Comet)

A field trip to the Devine project was carried out during the quarter. The project covers an area of 140 square kilometres and is situated in the Dingo Range Greenstone Belt approximately 90 kilometres northeast of Leinster. Field inspection located the historic drilling that intersected disseminated nickel sulphides in percussion and diamond drill holes. Assay results from these holes reported between 0.6% and 1.3% Ni with the best result being 2 metres at 1.3% Ni. The area is easy to access and a ground EM survey has been planned to assist in target generation in the prospective ultramafic unit. A heritage agreement has been signed for this project

Utopia Project ELA28/1398, ELA28/1399 and ELA28/1412 (100% Comet)

The Utopia Project was also inspected during the quarter and a new tenement was added to the project. The project area now covers approximately 350 square kilometres and covers 25 kilometres of targeted stratigraphy considered to be prospective for nickel sulphide mineralisation. Nickel intersections were reported by WMC Resources Limited (1999) from Talc Lake (1m @ 3.8% Ni including 0.5m @ 6.6% Ni) and Roe 2 Prospect (8.6m @ 0.45% Ni) which are situated approximately 10 and 28 kilometres along strike of the Utopia Project. The project area also covers several anomalous gold values intersected during a wide spaced drilling program to the east of the prospective stratigraphy; these anomalies were not followed up. The area is generally under cover however the depth to basement will be less than 30 metres. Air magnetics are being sourced for this project. A heritage agreement has been signed.

Jillbadji Project ELA77/1182 (100% Comet)

After reviewing all historic data and field inspections including a limited ground magnetic survey Comet is now sourcing an air magnetic data to help in defining targets over this 80 square kilometre project.

Prosperity Resources Ltd (20% Comet upon successful listing)

Prosperity Resources Limited listed on the Australia Stock Exchange on Monday 24 November 2003. Comet owns 20.76% of the listed securities in Prosperity, 6 million fully paid shares and 2 million unlisted options exercisable on the 30 November 2005.

For further information on the Company and its exploration projects please contact.

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