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COMET HAS TWO NEW PROJECTS GRANTED IN NEW SOUTH WALES

As part of the Company's ongoing evaluation of potential resource projects Comet Resources Limited has been granted two new projects in New South Wales. The projects are located in the Lachlan Fold Belt and were selected on the basis of well defined pre-existing targets which Comet believes can be efficiently and effectively tested by the utilisation of modern exploration techniques.

The projects have had only minimal in-ground exploration since the mid 1980s. NSW is considered attractive as it has an established mining industry, a government supportive of mining, legal title to land, recent world class discoveries and established infrastructure.

BIMBIMBIE PROJECT E 6271 and E 6272 (100% Comet)

- **550 km² project area with numerous gold occurrences**
- **Virtually no modern exploration**
- **Mine workings extend over several km**
- **Recorded production of gold at an average grade 1.3 oz per tonne (~40 g/t)**
- **Sampling in 1986 reported grades of up to 16.9 oz per tonne**
- **No previous drilling**
- **100% owned by Comet**

The Bimbimbie Project covers an area of 550 square kilometres and is situated approximately 230 kilometres south of Sydney. The project area covers the Nerrigundah gold field which produced 50,000 oz of gold and the Mogo goldfield with numerous historic workings including the Bimbimbie mine. This Mine was developed on a series of narrow, high grade quartz-sulphide veins in the 1890s. There are several (up to 12) parallel reefs described in the Bimbimbie mine area and the mineralisation can be followed along strike for almost 2 kilometres.

KERRS CREEK PROJECT E 6240 (100% Comet)

- **288 km² EL with known gold and base metal occurrences**
- **Covers same stratigraphic sequence which hosts Lewis Ponds VHMS deposit (350 Kozs Au, 18 Mozs Ag, 194 Kt Zn)**
- **VHMS style alteration and massive sulphide bodies within tenement**
- **Limited previous drilling**
- **Previous intersections include 2m @ 13% Zn**
- **100% owned by Comet**

The Kerrs Creek Project covers an area of 288 kilometres. It is centred about 20 kilometres north of Orange, a major mining centre hosting Newcrest's Cadia mine. Tri Origin Australia NL's Lewis Ponds deposit, where they have reported a resource of 5.7 Mt @ 1.9g/t Au, 97 g/t Ag, 0.19% Cu, 2.0% Pb, 3.4% Zn (which equates to 350,000 ozs gold, 18 Mozs silver and 194,000 tonnes zinc) is located just south of the Kerrs Creek Project. The Kerrs Creek Project is in the same stratigraphic sequence as the Lewis Pond deposit.

Comet considers that the area is highly prospective for Volcanic Hosted Massive Sulphide (VHMS) base/precious metal mineralisation. Several underexplored massive sulphide bodies occur and VHMS style alteration and stringer mineralisation has also been reported. A number of small gold workings also occur within the Project area. The area is under explored as only 15 percussion and diamond drill holes have been reported from within the tenement.

For further information on Comet and its exploration projects please visit Comet's web site or contact:

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Comet listed on the Australian Stock Exchange in 1994. The Company discovered and studied the Ravensthorpe Nickel Project which is now part of a 1.7 billion dollar project being developed by BHP Billiton. In 2001 Comet successfully sold its final equity to BHP Billiton and returned to Comet shareholders 32 million dollars. Comet has a number of exciting exploration projects that it is currently exploring and advancing. Comet has approximately 3 million dollars of cash, 6 million Prosperity shares and has approximately 61 million shares on issue and 34 million 8 cent December 2004 options.