



**ABN 88 060 628 202**

Level 9, 190 St Georges Tce  
Perth  
Western Australia 6005

PO Box 7761 Cloisters Square  
Western Australia 6850

**Telephone: (08) 9322 5330**

**Facsimile: (08) 9322 5988**

**email: [comet@cometres.com.au](mailto:comet@cometres.com.au)**

25 September 2004

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

Dear Sir/Madam

## **SEPTEMBER QUARTER ACTIVITIES REPORT**

### **Quarter Highlights**

- **Drilling program completed at Yalgoo Base Metal Project**
  - **Significant Magnetite (Iron ore) intersections**
  - **Initial DTR determinations indicate grade up to 64% Fe, recovery up to 48%, comparing favourable with other local projects**
- **2 new projects granted in NSW**
  - **Historic high grade sampling at Bimbimbie Project with grades up to 526 g/t Au (16.9 ozs/t)**

The September quarter has been an active period for Comet Resources Ltd. A drilling program has been completed at Yalgoo with encouraging magnetite (Iron ore) intersections and 2 new projects being acquired in NSW. Comet's cash position is approximately \$2.5 million and the Company continues to maintain a tight capital structure, with only 61 million shares on issue. In addition, the Company holds 6 million shares in Prosperity Resources Limited.

Comet continued to evaluate new opportunities during the quarter.

## **Yalgoo Base Metal Project**

In August 2004 Comet completed 8 reverse circulation drill holes for a total of 989 metres.

Encouraging iron (Fe) values were returned from a number of holes in a magnetite rich banded iron formations (BIF) with widths up to 70m. There are numerous parallel BIF units which pass through Comet's project area. These BIF units extend over a distance of approximately 20 kilometres. Widths of these BIF units vary but regional mapping has indicated that widths of +100m are not uncommon.

A selection of samples were collected from a 49 m wide zone grading 25% Fe in BMR08 for DTR (Davis tube test work – a low-intensity magnetic concentration method) determinations. Results were encouraging with mass recoveries (magnetite proportion) averaging 32% but ranged up to 48%. Fe grades of the recovered portion averaged 59% and ranged up to 64%. These results compare favourably with other magnetite projects in Western Australia.

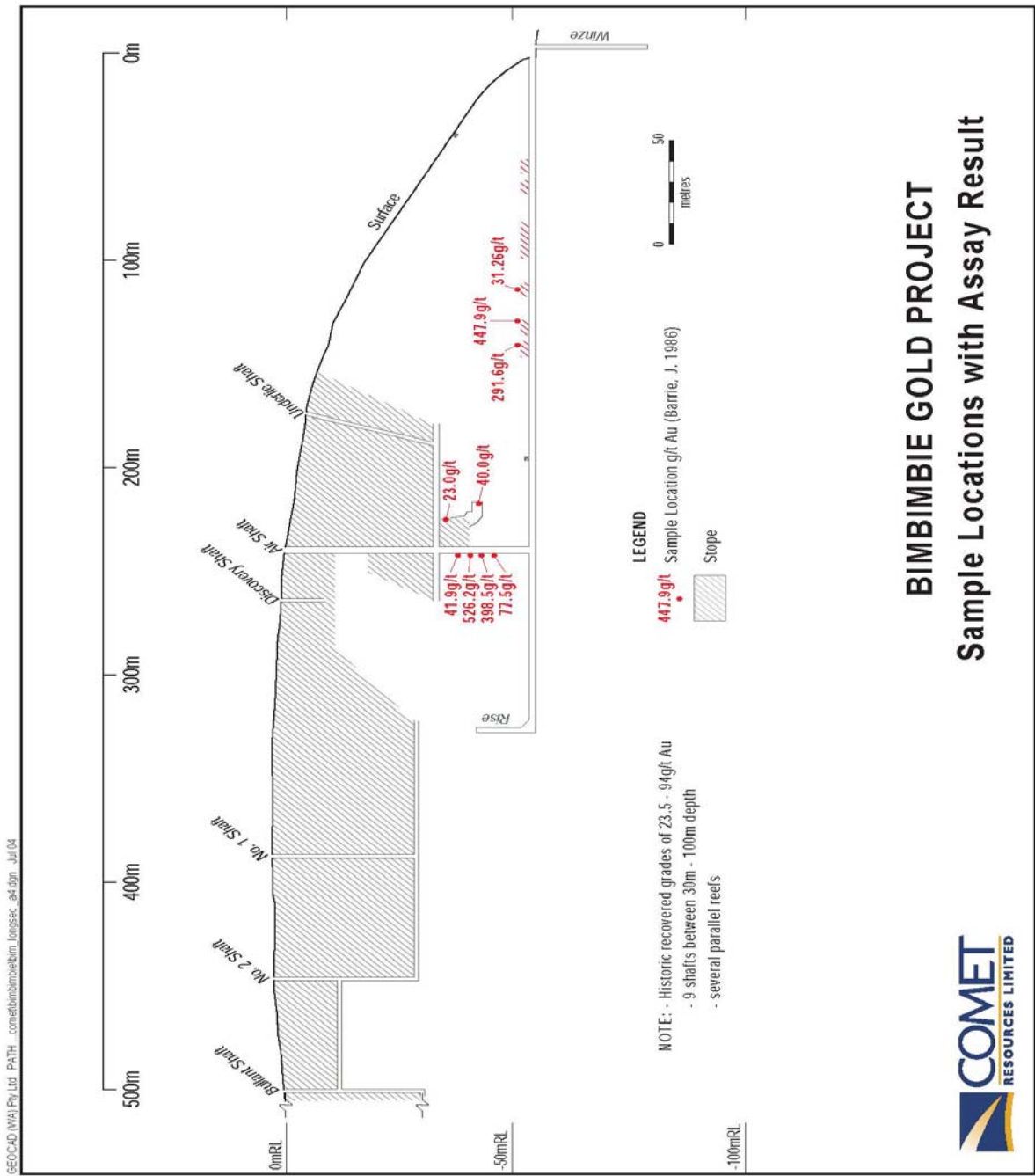
Comet has detailed high quality aeromagnetic data for the project area which will clearly identify the high priority target areas. Field studies will now be undertaken to follow up and determine the best potential magnetite targets for drill testing at Yalgoo.

## **Bimbimbie Project.**

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.

A 300m long adit was re-established in the mid 1980's to access the Bimbimbie mineralised vein system. During this work a number of samples were taken from the quartz vein system to establish a potential mine grade. The results from these samples were quite spectacular with grades up to 526 g/t Au (16.9 ozs/t) being reported.

No drilling along the line of reefs has been reported. The targets are clearly defined with the zone capable of hosting several hundred thousand ounces down to modest depths (300m vertical).



### Kerrs Creek Project (100% Comet)

The Kerrs Creek Project covers an area of 288 kilometres. It is centred about 20 kilometres north of Orange, a major mining centre hoisting Newcrest's Cadia mine. Tri Origin Australia NL Lewis Ponds deposit, were a 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 exists just south of Kerrs Creek Project.

Comet considers that the area is highly prospective for VMS hosted base/precious metal mineralisation as several small massive sulphide bodies occur and VMS style alteration and stringer mineralisation have also been reported. A number of small gold workings also occur within the Project area.

### **Devine Project (100% Comet)**

Further studies have continued at Devine to determine if the EM anomalies require further test work. This is expected to be completed during the current quarter.

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

Mr Tony Cooper  
Technical Director  
Comet Resources Limited  
Tel 08.9322 5330  
Fax 08.9322 5988  
Email [tony.cooper@cometres.com.au](mailto:tony.cooper@cometres.com.au)  
Web Page [www.cometres.com.au](http://www.cometres.com.au)

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. Comet has a number of exciting exploration projects that it is currently exploring and advancing. Comet has approximately 2.6 million dollars of cash, 6 million Prosperity shares and has approximately 61 million shares on issue and 34 million 8 cent December 2004 options.