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

Dear Sir/Madam

JUNE QUARTER ACTIVITIES REPORT

During the June quarter Comet Resources Limited has continued to reviewed mining and energy opportunities within Australia and overseas.

Comet's cash position is approximately \$2.7 million and the Company continues to maintain a tight capital structure, with only 68 million shares on issue. In addition, the Company holds 6 million shares in Prosperity Resources Limited (approximate value \$700,000).

Utopia Project E28/1412, E28/1494 and E28/1495

The Utopia Project is located approximately 125km east-southeast of Kalgoorlie and covers an area of over 300 km². The three tenement that make up the project are being granted after proceeding through the Native Title Tribunal were a determination was made that the expedited procedure does apply.

The Utopia Project, in particular the tenement (ELA28/1412) is considered highly prospective for gold mineralisation based on previous wide spaced RAB drilling and surface soil sampling by Acacia/Newmont and Kilkenny Gold. Two target areas have been defined, and are considered to be priority targets. These are to be tested, after Native Title clearances are obtained, with soil and RAB drilling. This work is planned to be completed in the next 6 months.

The project covers 25km of targeted ultramafic sequence 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 28km along strike of the Utopia Project area.

Field mapping, Geophysics and RAB drilling we be used to delineate target areas along this ultramafic sequence.

Charmed Project

Previous exploration at Charmed has delineated a 1500m x 400m cross-cutting arsenic anomaly (>20ppm As) within which anomalous gold values have been reported. A maximum result of 68ppb Au was reported from within the arsenic anomaly however only isolated samples were analysed for gold. Other soil and rock chip samples collected from within the tenement have reported anomalous gold and base metal values.

Highly anomalous silver results associated with anomalous lead and zinc values have been reported from drilling of what appears to be a siliceous vein. Significant results have been reported in drilling over 400m strike length of the vein over true widths of up 12m. The significance of this mineralised vein should be determined as it may represent remobilisation from a deeper mineralised body.

Access to this area has proved difficult however negotiation will be recommenced to see if access can be gained to test these targets.

Yalgoo Iron Project

Joint Venture negotiations are being negotiated for this project.

Progress is being made with land access in NSW. Target testing at Kerr's Creek is expected in the next 6 months and drilling at Murrumbateman in the start of the New Year.

For further information on Comet and its exploration projects please visit Comet's web page 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. Comet has a number of exciting exploration projects that it is currently exploring and advancing. Comet has cash assets of approximately \$2.7 million, 6 million Prosperity shares and has approximately 68 million shares on issue.