



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

29 April 2005

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

Dear Sir/Madam

MARCH QUARTER ACTIVITIES REPORT

During the March quarter Comet Resources Limited has reviewed several major opportunities and continued with its assessment of both Yalgoo, Kerrs Creek, Murrumbateman and Browns Reef Projects.

Comet's cash position is approximately \$2.8 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.

Western Australia

Yalgoo Base Metal Project

Encouraging iron values were received from a number of drill holes in magnetite rich banded iron formations (BIF) in 2004. Field work confirmed numerous parallel BIF units pass through Comet's project area. These BIF units extend over a distance of approximately 20 kilometres. The units were assessed and several potential target zones requiring further exploration were identified.

Comet has been contacted by several interested parties regarding Yalgoo with proposals of both financial and technical support. Comet is currently reviewing these proposals.

New South Wales

Kerrs Creek Project EL6240

Compilation of previous exploration has allowed Comet to delineate the Day Dawn and Calula areas to be prospective for gold and base metal mineralisation within the Kerrs Creek Project.

In the Day Dawn area previous exploration has identified an area of prospective Cu, Pb, Ag and Au mineralisation. One diamond drill hole (SDN1) completed by Amoco Minerals in 1980 intersected 7m @ 0.45% Zn, 0.5m @ 1.7% Pb, 5.8% Zn & 26ppm Ag and 5.5m @ 2.9% Zn and 8ppm Ag.

A line of workings striking over 300 metres also occur in this area. Rock chip and mullock sampling of up to 16.8g/t Au have been reported.

In the Calula area, which includes several historic mines (Pyrite Mine, Manganese Mine, Pigment Mine and Locality 59) previous rock chip sampling reported up to 0.19% Cu, 0.99% Pb, 0.55% Zn and 2.55 g/t Au.

Planned exploration for the tenement includes geological mapping, processing and interpretation of aeromagnetic data and airborne EM surveys. Drilling will be carried out on identified targets.

Comet is currently identifying land owners within the Kerrs Creek tenement so that the necessary Land Access Agreements can be negotiated.

Murrumbateman Project EL6295

Discussions were held with the principal land holder over the Murrumbateman Gold Prospect. Access on to the property for the purpose of conducting Comet's proposed exploration programme will not be possible until the harvesting of this years wheat crop which should occur during the first quarter of 2006.

In the interim Comet is compiling all previous exploration data and reprocess available aeromagnetic data to determine if there is any expression of the two wide low grade (+0.5g/t) zones of mineralisation that were drill tested by a number of shallow holes.

Browns Reef Project EL6321

Initial discussions over land access have been held with the main land owners over the Browns Reef mineralisation.

The area was explored in the late 1970's by Electrolytic Zinc Company of Australasia Ltd. Previous exploration has identified an inferred resource totalling **20.5 Mt assaying 1.09 % Pb, 1.96 % Zn, 0.13 % Cu and 9 g/t Ag (1 % combined Pb+Zn cutoff)** at Browns Reef with a further **2.4 Mt assaying 1.35 % Pb, 2.50 % Zn, 0.14 % Cu and 7.9 g/t Ag (1 % combined Pb+Zn cutoff)** at Browns Reef South.

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
Web Page 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 cash assets of approximately \$2.8 million, 6 million Prosperity shares and has approximately 68 million shares on issue.

The information in the report to which this statement is attached that relates to Mineral resources or Ore reserves is based on information compiled by Mr A.R.Cooper, who is a Member of The Australian Institute of Mining and Metallurgy. Mr Cooper has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 1999 edition of the "Australian Code for Reporting of Mineral Resources and Ore reserves". Mr Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.