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## **PROJECT UPDATE**

### **Utopia Project (EL's 28/1412, 1294, 1295) Drilling Commences.**

Comet is pleased to announce the commencement of a 5,000 metre RAB drilling program at its Utopia project in Western Australia.

Drilling will test several soil gold anomalies which are associated with historic wide space RAB drill gold anomalies and a radiometric anomaly.

Comet hopes to finish the 5,000 metre RAB drilling program in early July and expects results by mid August.

### **Environmental Oil Solutions Project**

Progress has been made in the laboratory test work. The bacterial formulation (BIO-Paragone) has been optimised and scale up has commenced. This will involve simulated tank cleaning in 20 litre vessels, then 100 litre vessels before moving to a field location where waste oil will be treated in an 8,000 litre tank. The objective is to demonstrate BIO-Paragone's ability to break down the viscous waste oils, enabling the transformed waste oil to be pumped from the vessel and recycled.

### **Browns Reef Base Metal Project (NSW)**

This project has the potential to host a very large zinc, lead, copper, silver and possibly gold deposit. The area's main phase of exploration was in the 1970's and early 1980s, where non JORC resources of 15-20million tonnes at 2.5% Zinc equivalent were calculated. Drilled widths up to 60m were intersected. Within the broad mineralised zone are higher grades eg. **BR2 with 20m at 4.95% Zinc, 2.77% Lead, 0.16% Copper and 13.5 g/t silver** from 302m down hole.

Shallower levels have not been tested. Comet is planning to commence a Reverse Circulation and diamond drilling programme in **August** to test selected zones within the delineated 10 kilometres of mineralised strike length for :-

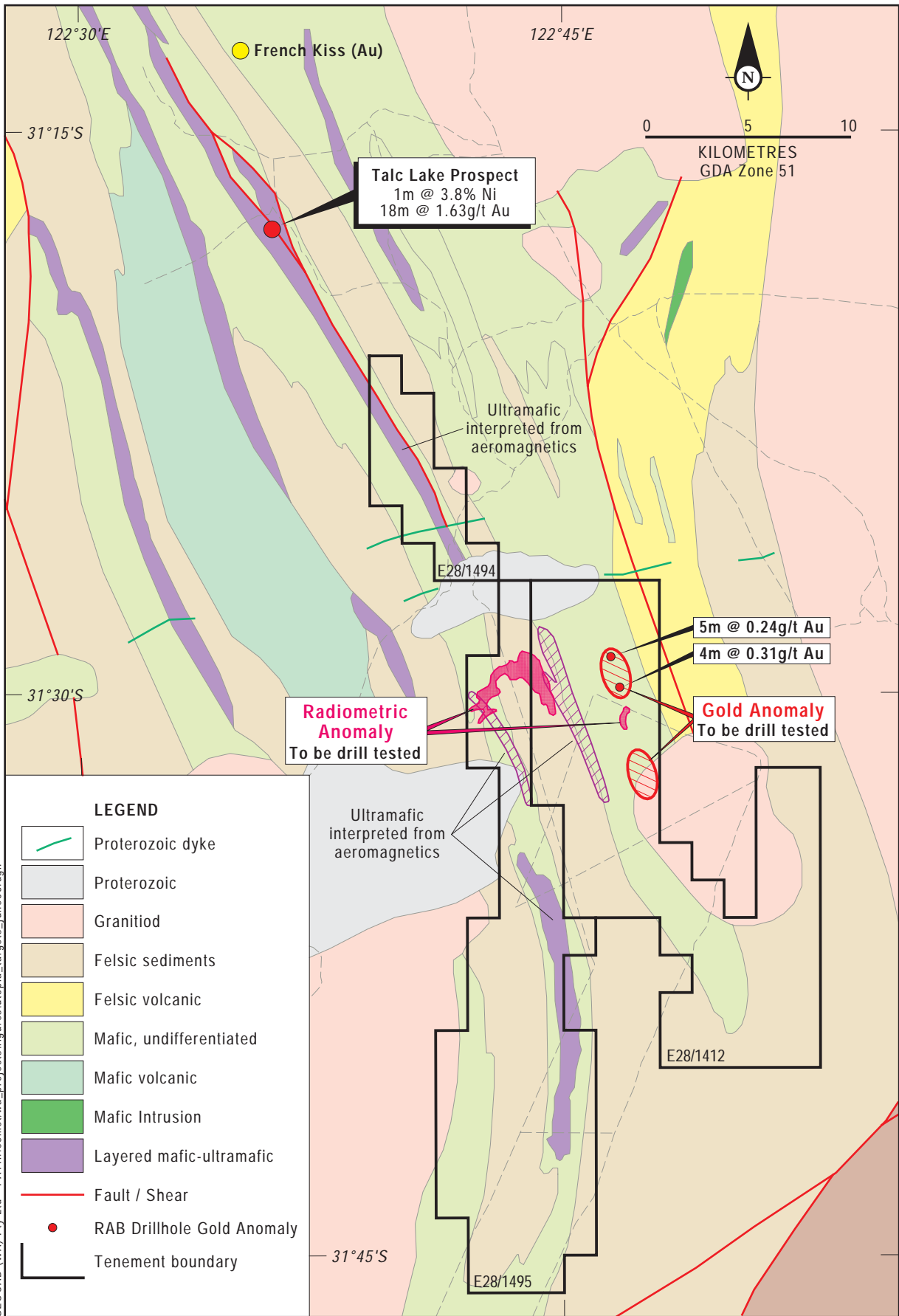
- Bulk tonnage mineralisation (+ 100mt)
- Continuity of the previously identified higher grade zone
- The potential in the near surface zones for supergene mineralisation.

Over the past 6 months Comet has made significant progress on its 100% owned projects and is now in a position to implement programmes to advance these projects

For further information on Comet and its Environmental Oil Solutions Project and exploration projects please 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 \$2.6 million, 6 million Prosperity shares and has approximately 68 million shares on issue.



## Utopia Project Exploration Update - June 2006