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28 June 2006

The Company Announcements Office
Australian Stock Exchange Limited
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SYDNEY NSW 2000

Dear Sir/Madam

Browns Reef Base Metal Project

Summary.

Comet applied for the Browns Reef tenement 2 years ago. Previous explorers in the 1970s had identified a 10 kilometres strike length of base metal mineralisation. Comet has been acquiring data to commence a new phase of exploration on the project. Current metal prices make the project a significant base metal target.

The Browns Reef Project is located 470 km east of Sydney. The late 70's exploration has allowed Comet to identify

20 million tonne inferred resource of 2% Zn, 1.1% Pb, 0.1% Cu and 9g/t Ag over 1km strike length.

This resource is open along strike and at depth. Surface expressions of mineralisation can be traced for **10km**. Best drill hole intersection is in **BR-2 from 288m intersected 45.3m @ 3.01%Zn, 1.71%Pb, 0.10%Cu and 8.1ppm Ag**. This intersection contains **20m @ 4.95%Zn, 2.77%Pb, 0.16%Cu, and 13.5g/tAg** from 302 metres down hole.

The Browns Reef Project has potential for a large-tonnage resource and/or high grade smaller resources. A number of exploration activities are needed to assess these potential targets. The next phase of the activities is scheduled to commence in August.

Location and Tenement Details.

The Browns Reef Project is located approximate 5 kms west of the township of Lake Cargelligo and approximately 470 kms west of Sydney. Lake Cargelligo is serviced by the New South Wales rail network and there is a gas pipeline approximately 100km away. The tenement number is EL6321 and covers 57.5 km². The project occurs mainly on Freehold agricultural land. Established roads and tracks allow ready access.

Resources.

The area was explored in the late 70's to mid 80's by Electrolytic Zinc Company of Australasia Ltd (**EZ**) as managers of the Lake Cargelligo Joint Venture. Exploration included surface sampling, 12 diamond drill holes and several geophysical techniques. The work resulted in the discovery of a lead-zinc mineralised zone. Comet has calculated an **inferred resource** using this historic data. These resources are listed in Table 1

Table 1. Browns Reef Inferred Resources

Cut Off	Zinc(%)	Lead (%)	Copper (%)	Silver (ppm)	Tonnes
Case 1					
+2% Pb+Zn	2.3	1.2	0.11	8.5	12,600,000
Case 2					
+1% Pb+Zn	2.0	1.1	0.1	9.0	20,500,000

Case 2 gives a **contained metal value of over AUD\$2 billion**. The resource covers a 1 km strike length and is open along strike and at depth. Surface expression of mineralisation (defined by gossans, surface sampling and auger sampling) can be traced for over 10 km in a north-north-west direction. The attached Figures 1 and 2 show area of resource and holes used to calculate the Browns Reef Resource and Table 2 lists all EZ drilling into the mineralised zone.

Table 2. Drill Hole Intersections

Hole No.	Easting (m)	Northing (m)	From (m)	To (m)	Intersection (m)	Zinc (%)	Lead (%)	Copper (%)	Silver (ppm)
BR1	437,144.0	6,312,666.9	165.0	200.4	35.4	0.83	1.33	0.20	11.5
BR2	437,082.2	6,312,656.1	291.0	336.3	45.3	3.01	1.71	0.10	8.1
BR3	437,147.6	6,312,513.2	256.0	299.3	43.3	1.88	1.17	0.13	12.7
BR3A	437,147.6	6,312,513.2	286.8	306.0	19.2	1.94	0.99	0.08	5.8
BR4	437,043.4	6,312,802.4	266.3	328.8	62.5	1.72	0.81	0.08	4.7
BR5	437,064.3	6,312,653.8	312.8	322.8	10.0	2.34	0.92	0.13	10.2
BR5			340.8	380.0	39.2	2.07	0.92	0.11	8.9
BR6	436,975.9	6,313,146.0	161.5	177.5	16.0	1.83	1.06	0.18	10.3
BS1	437,751.6	6,311,013.7	184.5	194.3	9.8	1.44	0.68	0.16	8.6
BS1			201.4	209.2	7.8	1.11	0.52	0.20	2.7
BS2	437,799.2	6,311,032.2	256.7	266.0	9.3	4.28	2.67	0.18	12.4
BS3	437,680.5	6,311,245.4	286.1	298.1	12.0	1.25	0.42	0.12	4.7
WS1	436,072.0	6,314,907.0	443.5	459.3	15.8	1.45	1.17	0.14	7.5

Best drill hole intersection is in **BR-2 intersected 45.3m @ 3.01%Zn, 1.71%Pb, 0.10%Cu and 8.1ppm Ag from 288m**. This intersection contains **20m @ 4.95%Zn, 2.77%Pb, 0.16%Cu, 13.5g/tAg** from 302 metres down hole. Gold was not included in the analysis and may add value to the mineralised zone.

Access difficulties meant that holes drilled by EZ were not always in the prime location and they were also forced to only conduct deep drilling.

The area has had limited exploration since EZ withdrew from the project area in 1984. The most significant exploration advance was by Equity 1 Resources NL (2001-2003) when selected samples were taken from the mineralised zone and were assayed for gold. This indicated that gold mineralisation can be associated with the base metal mineralisation (**best grade 1.8g/tAu over 1m**). No systematic gold sampling has been conducted over the base metal mineralised zones.

Mineralisation.

The Browns Reef zinc-lead-copper-silver-gold? Mineralisation is hosted by the Late Silurian to Early Devonian Preston Formation. The dominant sulphide is pyrite, with lesser sphalerite, galena, chalcopyrite and trace arsenopyrite. The sulphides occur as disseminations, blebs and stringers within steeply dipping silicified metasediments and in quartz–white mica–chlorite–carbonate stockwork veins. Previous workers (e.g., Maniw 1983; Duncan 2000; Downes et al 2004) have described the mineralisation as a syndeformation Cobar-type base metal system or as an epigenetic porosity-controlled base-metal system.

Targets.

The Brown's Reef Project, has significant potential. Three styles of exploration targets exist. A number of exploration activities are needed to assess these potential targets.

Target 1. Browns Reef has obvious potential for a large-tonnage resource.

Target 2. Potential exists for zones or pods of high-grade base metals (i.e. >5.5% Zn equivalent). A zone of 8m TW x 300m x 300m, with an estimated SG of 3.0, contains almost 2 million tonnes. At a grade of 5.5% Zn equivalent ($Zn+(Pb/3)+(Cu \times 2)+(Ag/90)$) and a current price over \$AUD3,000 per tonne Zn, the in-ground value would be over AUD\$300million. **BR2 intersected 20m @ 4.95%Zn, 2.77%Pb, 0.16%Cu, and 13.5g/tAg** from 302m down hole (**approx 250m true depth and 14.2m true width**). This intersection is over 6%Zn equivalent.

Comet plans to drill several diamond drill holes near hole BR2 to determine if this high grade intersection can be traced along strike.

Target 3. Potential supergene (oxide) mineralised zone over the Browns Reef ore zone. No test work has been conducted to see if this zone exists. A shallow openpit oxide base metal mineralisation is a simple target to test with significant commercial upside.

Comet intends to drill near an area of high grade surface mineralisation over 2.5 km away from BR2.

Over the past year Comet has made significant progress on its 100% owned Browns Reef Project. The next stage of evaluation is scheduled to commence in August with diamond drilling.

Resource Estimation Summary.

Geological domain were interpreted and a lower cut of 2% Pb+Zn Case 1 and 1% Pb+Zn Case 2 was used. No top-cut was applied

A Polygonal block model was created and a bulk density of 3 was assigned by averaging historic density data. Drill hole locations were interpreted from located sites and then a grid conversion was made

The resource estimate has been classified based on data density, data quality, confidence in the geological interpretation and confidence in the estimation.

For further information 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.

The information in the report to which this statement is attached relates to Exploration Results, Mineral Resources or Ore Reserves compiled by Mr. A Cooper, who is a Member of The Australian Institute of Mining and Metallurgy, with over 20 years experience in the mining industry. 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 2004 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.

