

## Funding to Advance the High-Grade Springdale Graphite Project Secured

Comet Resources Ltd (Comet or the Company) (**ASX:CRL**) is pleased to announce that it has received commitments to raise \$1.125 million via a private placement to sophisticated investors. The placement was well supported by new and existing investors and provides Comet with funding to advance the high-grade Springdale Graphite Project, in south Western Australia, towards the next stage of development.

### Highlights

- Inferred Resource of 15.6Mt @ 6% Total Graphitic Carbon (TGC) including a **high-grade core of 2.6 million tonnes at 17.5% TGC** (ASX 6 Dec 2018)
- Defined resources are **open along strike and down dip**, and **largely situated within 60 metres of surface**
- Recent exploration drilling identified **two new high-grade graphite zones** extending over a combined interpreted strike length of 8.5 kilometres, **outside current resource** (ASX 7 May 2019).
- Ability to optimise exploration efficiency by using **electromagnetic surveys (EM)** to **target high-grade graphite near surface**
- **Funded** to advance **diamond drilling program and metallurgical test work**

### Comet's Plans to Advance the High-Grade Springdale Graphite Project

The placement will raise \$1.125 million through the issue of 37.5 million ordinary shares at three cents and 18.75 million free attaching options on a one-for-two basis, by using all the available placement capacity and avoiding the need for shareholder approval. The issue price represents a three percent discount to market on the last day of trading prior to the capital raising.

Comet will use the funds for a diamond drilling program to infill and extend the high-grade component of the existing resource and recently announced discoveries. The diamond core will be used to conduct metallurgical test work to optimise the processing circuit to produce a high-grade graphite concentrate.

### Comet Resources CEO, Philippa Leggat, commented:

*"We have all the key elements of a really exciting project at Springdale. Our focus going forward is to upgrade and expand the existing shallow, high-grade component of the Inferred Resource to between three and four million tonnes in Indicated and also conduct metallurgical testwork to optimise the simple float circuit.*

*"In addition to the infill drilling and metallurgical programs, the Company will follow up on two high-grade discoveries recently made outside the current resource. Comet will also look to further utilise the highly successful EM survey work to target additional shallow high-grade mineralisation.*

*"The board and I would like to thank all the investors who have supported our strategy to advance the Springdale Project and to get Comet flying."*

### Capital Raising Capacity

The capital raising was conducted under the Company's current placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A through the issue of 37,500,000 fully paid ordinary shares at a price of \$0.03 per share (satisfying the minimum pricing condition under ASX Listing Rule 7.1A.3) with a one-for-two, free attaching option, to raise \$1,125,000 before costs.

Capital Structure	Details	Total ('000)
Ordinary shares on issue pre-raising	3.1c at market close on 20/6/19	240,000
Options on issue pre-raising	4c exp 31/12/19	12,000
	10c exp 31/12/19	57,000
	10c exp 31/12/20	5,000
	15c exp 31/12/20	10,000
Ordinary shares issued in raising	3c	37,500
Options issued in raising	6c exp 30/06/21	18,750
Fully diluted number of shares post raising		380,250

22,550,000 fully paid ordinary shares issued under ASX LR7.1A.

14,950,000 fully paid ordinary shares and 18,750,000 one-for-two, free attaching options issued under ASX LR7.1.

Cicero Advisory Services Pty Ltd were engaged to manage the Placement. Fees in respect of the Placement are a Manager to offer fee of \$25,000 and a distribution fee of six percent on capital raised.

For further information please contact:

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## About the Springdale Graphite Project in Western Australia

The 100% owned Springdale graphite project is located approximately 30 kilometres east of Hopetoun in south Western Australia. The project is situated on free hold land, with good access to infrastructure being within 150 kilometres of the port at Esperance via sealed roads.

The tenements lie within the deformed southern margin of the Yilgarn Craton and constitute part of the Albany-Fraser Orogen. Comet owns 100% of the three tenement's (E74/562, E74/583 and E74/612) that make up the Springdale project, with a total land holding of approximately 220 square kilometres.



### Key information on the Springdale Graphite Project

- Comet completed a first pass aircore drilling program in February 2016, which confirmed that graphite was present (Western Zone).
- In September 2017 a 220km<sup>2</sup> detailed aeromagnetic survey was conducted (*ASX 10 Nov 2017*). Interpretation delineated 26 kilometres of stratigraphy deemed to be prospective for graphite mineralisation. Less than 20% of the identified stratigraphy has been drill tested indicating the potential scale of the Project.
- The Northern Zone was defined as a high priority drill target. RC drilling completed between December 2017 and February 2018 was successful in identifying high grade graphite mineralisation in the Northern Zone.
- Comet released a Maiden Resource (*Table 1*) at the Springdale Graphite Project late 2018 that incorporated the Northern, Western and Eastern Zones (*ASX 6 Dec 2018*).
- The high-grade portion of the resource is 2.6Mt at 17.5% Total Graphitic Carbon (TGC) (*Table 1*).
- Metallurgical test work in April 2017 proved that graphene can be produced from Springdale graphite by electrical exfoliation. It is very rare for a graphite deposit to be able to produce graphene using the exfoliation method on solid, untreated rock.
- The discovery of two new high-grade zones of graphite mineralisation was announced in May 2019. The results of the drilling program confirmed that electromagnetic surveys could be used as a targeting tool for shallow, high-grade graphite mineralisation (*ASX 7 May 2019*).

## Appendices

### Forward-Looking Statements

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Comet Resources Limited’s planned exploration programs, corporate activities and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should" and similar expressions are forward-looking statements. Comet Resources Limited believes that its forward-looking statements are reasonable; however, forward looking statements involve risks and uncertainties and no assurance can be given that actual future results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

### Competent Persons Statement

The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Matthew Jones, who is a Competent Persons and Member of The Australasian Institute of Mining and Metallurgy. Matthew Jones is full-time Exploration Manager of the Company. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Matthew Jones consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.

### No New Information

To the extent that this announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Table 1

### Springdale Project Resource Estimate reported at a $\geq 2\%$ TGC cut-off grade.

DOMAIN	TONNES (MT)	DENSITY (t/m <sup>3</sup> )	Graphite (TGC%)	CLASSIFICATION
HIGH GRADE	2.6	2.1	17.5	INFERRED
LOW GRADE	13.0	2.2	3.7	INFERRED
<b>TOTAL RESOURCE</b>	<b>15.6</b>	<b>2.2</b>	<b>6.0</b>	<b>INFERRED</b>

Note – Inferred Resources have only been reported from within mineralised wireframe domains defined by a nominal 2% TGC cut-off for low-grade and a nominal 15% TGC cut-off for high-grade to a nominal depth of 100m.