

## Quarterly Activities Report – December 2021

### Highlights:

- Comet to gain participation in high-technology, vertically integrated battery anode and industrial graphite product company, International Graphite (IG) via the vend-in of its Springdale Graphite Project for \$8M of shares in IG at its IPO
- International Graphite has commenced work on Stage 1 of its advanced downstream graphite product manufacturing and R&D facility in Collie, WA
- International Graphite's technology has been recognised by and received strong support from the WA Government, with a recent award of a \$2M grant to contribute to the development of the Collie facility
- Successfully completed optimisation test work on the production of spherical graphite at test facilities in Germany
- Assays from the drilling program completed at Santa Teresa Gold Project delivered multiple high-grade intersections, including 'bonanza' grades
- Significant intersections include:
  - STDDH-21-006:
    - 1.2m at 63.2g/t gold from 124.8m; and
    - 0.7m at 27.5g/t gold from 140.9m
  - STDDH-21-007: 1.6m at 31.0g/t gold from 239.8m
  - STDDH-21-001: 1.0m at 26.9g/t gold from 91.9m
- Comet has commenced disclosing Environmental, Social, and Governance (ESG) metrics. Disclosures are made using World Economic Forum ESG universal framework

### Post Quarter End:

- The Company has entered a trading halt pending an announcement of a material transaction

Comet Resources Limited (**Comet** or the **Company**) (**ASX:CRL**), is pleased provide the Quarterly Activities Report and Appendix 5B for the quarter ending 31 December 2021 (the **Quarter**).

During the Quarter, the Company announced that it would participate in the creation of a vertically integrated high-technology battery anode and industrial graphite product business located in Western Australia via a transaction with International Graphite Limited (International Graphite or IG). Under the proposed transaction Comet will vend its Springdale Graphite Project into International Graphite in return for shares initially valued at \$8M upon completion of an initial public offering and subsequent listing on the ASX by International Graphite. The transaction will see Comet now participate in both the value created by the graphite resource itself, as well as the substantial value created by downstream processing into end user products.

Matthew O'Kane, Managing Director of Comet Resources, commented ***"The Quarter saw the announcement of the proposed transaction with IG, where we will vend the Springdale Projects into IG at their upcoming IPO, which we currently anticipate to complete late in Q1. We also had excellent results from the optimisation tests for the production of spherical graphite, which capped off a very pleasing set of results over the year for Springdale. This provides further confidence for the future success of IG and our investment there. Comet***

*also reported drilling results from Santa Teresa, which delivered further high-grade gold intersections. These results are being evaluated and we are looking towards the next steps for that project.”*

#### Work Program and Outlook:

| Program                                 | Aim & Details  | Status   |
|---|--|--|
| Santa Teresa Gold Project               | Re-assaying of historical drill core<br>Initial drill program planning<br>Initial drill program<br>Assaying and release of drilling results<br>Revised JORC resource   | Complete<br>Complete<br>Complete<br>Complete<br>Under review                           |
| Northern Territory Copper-Gold Projects | Finalise agreement to acquire tenement portfolio<br>Initial site visit and assessment<br>Initial exploration program planning  | Complete<br>Pending - Covid travel restrictions<br>Pending - Covid travel restrictions |
| Barraba Copper Project                  | Completion of Permitting for Gulf Creek <sup>1</sup><br>Initial drilling program at Gulf Creek <sup>2</sup><br>Assays and interpretation of drilling results<br><small>1 Subject to successful resolution of Native Title matters at the NNTT.<br/>2. Subject to permitting.</small> | Q2/2022<br>Q3/2022   |
| Springdale Graphite Project             | Approval of International Graphite transaction at AGM  | Complete   |

#### Springdale Graphite Project:

Comet announced on 27 October 2021 that it had reached an agreement with International Graphite Ltd (**International Graphite** or **IG**) to form a vertically integrated high-technology graphite business located in Western Australia to focus on the production of micronised, battery anode material and other products for lithium-ion batteries. Comet will gain its stake in the venture via the vend-in of its Springdale Graphite Project into International Graphite (the **Transaction**). Springdale is uniquely suited as a feedstock source for International Graphite’s facility in Collie, Western Australia, not only due to its location but also due to the amenability of its graphite to be processed into high value products, such as battery anode material, based on the test work as reported above. International Graphite plans to complete an IPO and seek admission to the ASX to join the relatively limited group of publicly listed lithium-ion battery anode material graphite companies.

The Transaction has been approved Comet shareholders, and is now only conditional upon approval from the ASX for the initial public offering (**IPO**) and subsequent admission of International Graphite to the ASX.

### Transaction Structure and Timeline

Comet will receive 40,000,000 shares in International Graphite at completion of its IPO, initially valued at \$8 million based on the proposed IPO issue price per share of \$0.20, in exchange for the sale of tenements E74/612 and E74/562, which together form the Springdale Graphite Project. Following the Transaction and IPO, Comet is expected to own approximately 25% of International Graphite. The Company will also be entitled to nominate one person to International Graphite's board of directors.

International Graphite plans to complete its IPO by raising \$8-10 million by the end of the first quarter of 2022 calendar year.

Comet announced on 10 November 2021 the results of specialist test work on natural flake graphite from its Springdale Graphite Project (**Springdale**) located in Western Australia. The results of ICP assay of spherical graphite purified to 99.96% with an intensive alkaline (Sodium Hydroxide - NaOH) method, based on a caustic roasting process, were provided in our press release of 21 September 2021. A second sample of spherical graphite was purified using hydrofluoric acid (HF) to 99.99%. The results of ICP assay of the HF purified sample are now provided in this release, with comparison to the results of the sample processed using alkaline purification.

The HF purification worked well as can be seen from the low values returned from the ICP (see table 1). All element values assayed in the ash material are below the typical specification limits for use in battery anode material (BAM) for Li-Ion batteries.

Assay of the intensive alkaline purified material was also undertaken using the ICP technique (see table 1). Essentially all elements present in the gangue were at a low level after the purification, especially the critical detrimental elements for use in batteries, such as Iron, Silicon, Chromium and Copper, which were measured at levels below the typical specification limits for anode material for Li-Ion batteries. Three element assays were slightly elevated, Sodium, Nickel and Calcium. Sodium is very likely a residue from the alkaline digestion (Sodium Hydroxide) and can presumably be reduced significantly by further optimization of the purification process. The same applies for Nickel, which is most probably coming from the Nickel crucible used during purification. The only element which was found in higher concentration than typical limits for Li-Ion BAM was Calcium. Presumably, a modified alkaline based treatment can lower the Calcium value. Often a limit of 25 ppm is given for Ca, versus the result from assay of 32.7 ppm. The 25 ppm limit should be achievable in future optimisation work.

The results of optimisation work aimed at improving the yield in the production of spherical graphite (SPG) reported during the quarter were also highly successful. By classifying the material in an air classifier into fine and coarse fractions to separate the fines fraction prior to the production of the SPG, yield was improved from 30-40% in prior testing, to 60%, which is considered a good yield.

In addition to the positive results from optimisation on yield, testing for tap density on the 15 micron SPG produced revealed that tap density had also increased. Prior testing results for tap density of the 15 micron SPG were 0.90kg/l, however on the material that was produced after use of the air classifier, tap density increased to 0.93kg/l, which is in line with generally accepted commercial specification for production of SPG to be used in the manufacture of battery anode material for use in lithium-ion batteries.

| Element | NaOH<br>ppm | HF<br>ppm |
|---------|-------------|-----------|
| Ag      | <0.1        | <0.1      |
| Al      | 8.9         | 17.1      |
| Ba      | <0.3        | <0.6      |
| Bi      | <0.3        | <0.5      |
| Ca      | 32.7        | 17.1      |
| Cd      | <0.1        | <0.1      |
| Co      | 0.4         | <0.1      |
| Cr      | 4.1         | 0.6       |
| Cu      | 3.2         | 0.8       |
| Fe      | 22.1        | 12.3      |
| K       | <3.0        | <4.9      |
| Mg      | 2.4         | 6.7       |
| Mn      | 0.3         | 0.2       |
| Mo      | 0.2         | <0.2      |
| Na      | 217.0       | 4.4       |
| Ni      | 7.9         | <0.6      |
| P       | 1.7         | 2.2       |
| Pb      | <0.3        | <0.4      |
| Si      | 25.7        | 20.8      |
| Sn      | <0.2        | <0.4      |
| Sr      | <0.2        | <0.3      |
| Ti      | 0.6         | 18.0      |
| V       | <0.1        | 0.2       |
| W       | <0.2        | <0.4      |
| Zn      | 0.6         | 0.8       |
| Zr      | <0.1        | 2.3       |

Table 1: Results of ICP Assay of NaOH and HF purified spherical graphite

### Santa Teresa Gold Project:

On 2 November 2021, Comet announced assay results from the Phase-1 Diamond Drill Program at the Santa Teresa Gold Project (**Santa Teresa** or the **Project**) located in Baja California, Mexico, including 'bonanza' gold grade intersections.

Eight holes were drilled during the program, totaling 2,250 meters, varying in completion depth from 212.5 to 392.4 meters. Figure 1 (below) shows the locations, depth, azimuth, dip and the zone of the Project where the holes were drilled.

| HOLE ID      | NAD27_UTM_EAST | NAD27_UTM_NORTH | ELEVATION (m) | AZIMUTH | DIP | LENGTH (m) | ZONE                           |
|--------------|----------------|-----------------|---------------|---------|-----|------------|--------------------------------|
| STDDH-21-001 | 590189         | 3494334         | 1151          | 220     | -50 | 251        | SE extension                   |
| STDDH-21-002 | 590235         | 3494309         | 1156          | 220     | -50 | 251.85     | SE extension                   |
| STDDH-21-003 | 589772         | 3494515         | 1134          | 220     | -60 | 212.45     | Magnetic anomaly               |
| STDDH-21-004 | 590274         | 3494412         | 1150          | 220     | -60 | 250        | SE extension                   |
| STDDH-21-005 | 590381         | 3494341         | 1163          | 220     | -60 | 335.4      | SE extension                   |
| STDDH-21-006 | 589936         | 3494710         | 1115          | 220     | -70 | 274.5      | La Princesa - Aurora extension |
| STDDH-21-007 | 589870         | 3494832         | 1109          | 220     | -70 | 282.5      | La Princesa - Aurora extension |
| STDDH-21-008 | 590028         | 3494666         | 1121          | 220     | -60 | 392.4      | La Princesa - Aurora extension |

Figure 1: Drill-hole location, depth, azimuth and dip data



Four holes of this drill program were planned to verify the continuity of the mineralised structures to the South East of the area explored by Grupo Alamo in 2008.

A further three drill-holes were planned to prove the continuity of the best results obtained for Grupo El Alamo in its drill program carried out in 2008 in the North Western portion of company's mining concessions. The most significant results of the program were returned from these drill-holes.

One drill-hole tested a magnetic semi-circular anomaly located in the Northwest portion of the mining concessions controlled by Comet. This anomaly was identified during a small-scale surface geophysics exercise conducted prior to the commencement of the drilling program.

### 2021 Diamond Drilling Program:

490 drill core samples were collected from the eight holes drilled. Logging, sampling, packaging and transportation to the laboratory followed standard industry protocols.

Core samples were assayed at ALS Global, a worldwide certified analytical services company. Samples were prepared in the ALS Global branch in Hermosillo, Sonora, Mexico and pulps were sent to Vancouver, Canada. Samples were analyzed by standard fire assay and re-assayed by the gravimetric method for the samples that assayed higher than 10g/t from the initial assaying. Pulps were also analyzed by 35-elements (ICP).

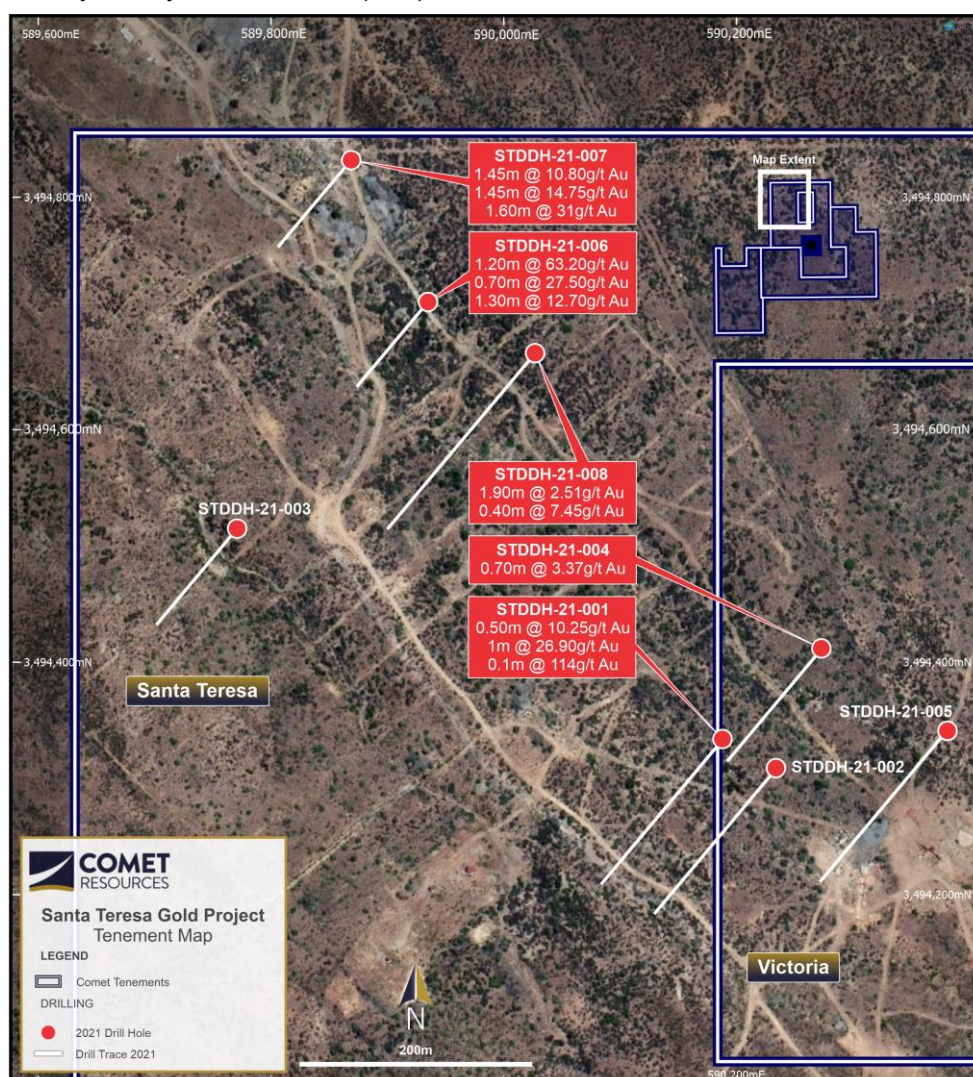


Figure 2: Plan view of drill collar locations and drill hole traces with key assay results indicated

Assay results confirm the continuity of mineralisation to the South East with at least 140 meters of strike extension and 80 meters at depth. The key assay results from the 4 drill-holes testing this extension to the South East are detailed in Figure 2 above, for drill holes STDDH-21-004 and STDDH-21-001, and also in and in Table 1 below.

To the North West the mineralisation identified in the 2008 drilling program was confirmed, with excellent assays that indicate high-grade gold values down to 260m depth. Visible gold was observed in some fragments of drill core from this area of the Project. The projection of the structures to surface show that the veins are high angle structures dipping at close to 90°. The key assays results obtained from the drilling program in this area are also detailed in Figure 2 above and in and in Table 1 below

A core sample taken from STDDH-21-006, of 0.50m at 10.65g/t gold at 258.5m depth, was sent to a laboratory at the University of Hermosillo for petrographic and mineralogical studies which showed that the rock is metamorphic, strongly foliated, and originated from a granitoid protolith (protomylonite) with small quartz-feldspar bands and sub-parallel milky quartz with visible gold particles. Studies suggest this is consistent with mineralisation of the “shear zone type” or orogenic origin.

| Hole ID      | Sample ID | Type | Depth From | To     | Width | Aug/t  |
|--------------|-----------|------|------------|--------|-------|--------|
| STDDH-21-001 | 196506    | vein | 62.05      | 62.55  | 0.50  | 10.25  |
| STDDH-21-001 | 196517    | rock | 91.90      | 92.90  | 1.00  | 4.96   |
| STDDH-21-001 | 170690    | rock | 91.9       | 92.9   | 1     | 26.90  |
| STDDH-21-001 | 196519    | vein | 98.80      | 98.90  | 0.10  | 13.55  |
| STDDH-21-001 | 196524    | vein | 105.95     | 106.05 | 0.10  | 114.00 |
| STDDH-21-004 | 196653    | vein | 40.65      | 41.35  | 0.70  | 3.37   |
| STDDH-21-006 | 196750    | rock | 94.00      | 95.00  | 1.00  | 2.73   |
| STDDH-21-006 | 196775    | rock | 124.30     | 124.80 | 0.50  | 6.48   |
| STDDH-21-006 | 196776    | vein | 124.80     | 126.00 | 1.20  | 63.20  |
| STDDH-21-006 | 196781    | vein | 140.85     | 141.55 | 0.70  | 27.50  |
| STDDH-21-006 | 196796    | rock | 178.00     | 179.50 | 1.50  | 1.04   |
| STDDH-21-006 | 196798    | rock | 180.85     | 182.15 | 1.30  | 12.70  |
| STDDH-21-006 | 196799    | vein | 182.15     | 183.00 | 0.85  | 8.98   |
| STDDH-21-006 | 196800    | rock | 183.00     | 183.85 | 0.85  | 1.46   |
| STDDH-21-006 | 196801    | vein | 183.85     | 184.60 | 0.75  | 1.34   |
| STDDH-21-006 | 196843    | rock | 242.00     | 243.00 | 1.00  | 2.00   |
| STDDH-21-006 | 196844    | rock | 243.00     | 244.00 | 1.00  | 1.00   |
| STDDH-21-006 | 196851    | rock | 248.00     | 249.00 | 1.00  | 1.09   |
| STDDH-21-006 | 196857    | rock | 254.00     | 255.00 | 1.00  | 2.85   |
| STDDH-21-006 | 196860    | rock | 257.00     | 257.60 | 0.60  | 3.87   |
| STDDH-21-006 | 196862    | vein | 258.50     | 259.00 | 0.50  | 10.65  |
| STDDH-21-006 | 196864    | rock | 259.50     | 260.50 | 1.00  | 5.33   |
| STDDH-21-006 | 196865    | rock | 260.50     | 261.35 | 0.85  | 1.13   |
| STDDH-21-007 | 196918    | vein | 144.65     | 145.75 | 1.10  | 1.96   |
| STDDH-21-007 | 196940    | vein | 218.70     | 219.15 | 0.45  | 1.00   |
| STDDH-21-007 | 196944    | rock | 221.15     | 223.15 | 2.00  | 6.07   |
| STDDH-21-007 | 196945    | rock | 223.15     | 224.60 | 1.45  | 10.80  |
| STDDH-21-007 | 196950    | vein | 230.90     | 231.65 | 0.75  | 2.63   |
| STDDH-21-007 | 196955    | vein | 238.35     | 239.80 | 1.45  | 14.75  |
| STDDH-21-007 | 196956    | vein | 239.80     | 241.40 | 1.60  | 31.00  |
| STDDH-21-007 | 196958    | rock | 242.00     | 243.40 | 1.40  | 1.70   |
| STDDH-21-008 | 196965    | vein | 75.80      | 76.80  | 1.00  | 2.18   |
| STDDH-21-008 | 196985    | rock | 144.20     | 146.20 | 2.00  | 1.10   |
| STDDH-21-008 | 196991    | rock | 161.35     | 163.25 | 1.90  | 2.51   |
| STDDH-21-008 | 196993    | vein | 170.05     | 170.45 | 0.40  | 7.45   |

Table 2: Summary of gold assays > 1 g/t  
(Refer Appendix 3 of ASX announcement 2 Nov 2021 for full assay results)



Mineralisation is associated with white quartz veining of a few centimeters width, up to veins of 1.0m width, always associated with moderate to strong foliation and fine pyrrhotite-pyrite in quartz, foliation planes and disseminated. In general, the mineralisation is hosted in shear zones formed by regional metamorphism or lateral faulting. Structures are single veins, sub-parallel veins and quartz veining.

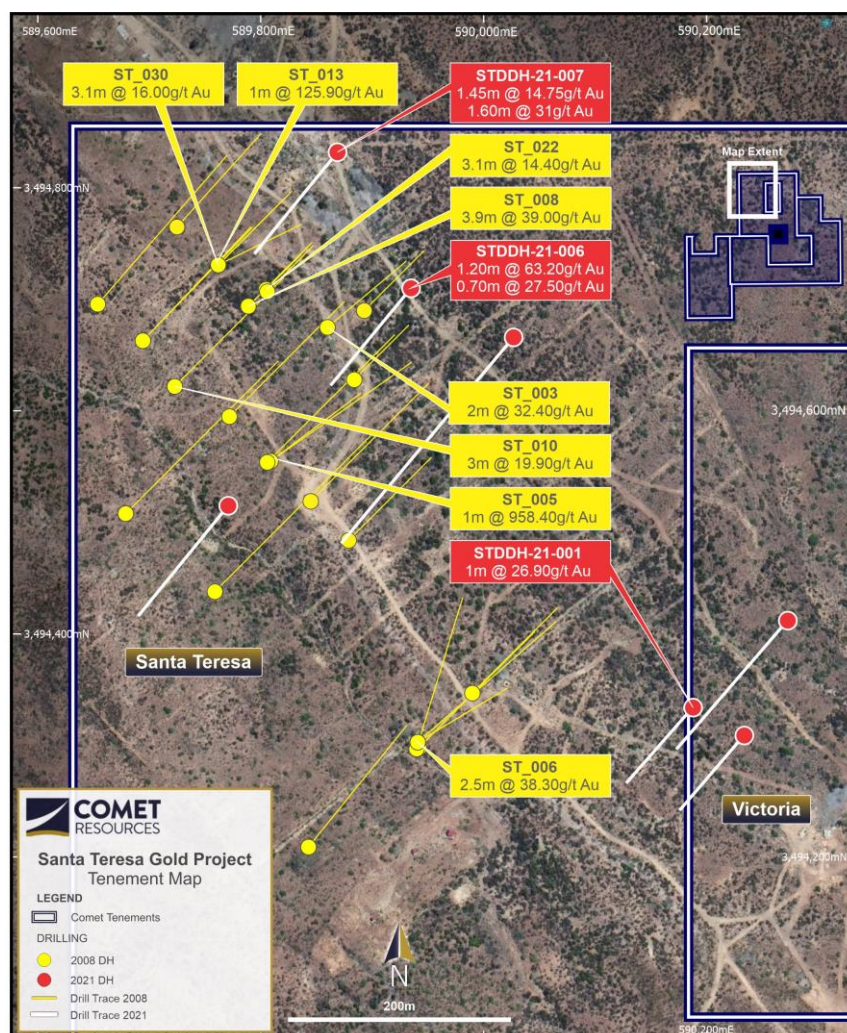


Figure 3: Plan view of drill collar locations and traces with key assay results from 2021 and 2008 drilling

The results from the drilling program are now being incorporated into the resource modelling for the Project to determine if a new Mineral Resource estimate is required. If a new JORC compliant Mineral Resource estimate for the Project is developed it will be released at that time.

### **Barraba Copper Project:**

Work is ongoing regarding permitting of drilling activities at Barraba around the Gulf Creek Mine. This is the priority area for commencement of drilling activity at Barraba. The land around the Gulf Creek Mine is covered by a native title claim, and the Company has been working with the claimant's, the NSW Government and other stakeholders for more than 12 months to reach a resolution. Being unable to do so in a time frame acceptable to the Company entered into a determination process with the National Native Title Tribunal (NNTT) to bring the matter to a conclusion. During the quarter

this process was ongoing, and submissions to the NNTT were completed in mid-January, 2022. A result from the NNTT is expected prior to the end of Q1, 2022.

### **ESG:**

On 6 October 2021 the Company announced it had adopted an Environmental, Social, and Governance (ESG) framework with 21 core metrics and disclosures created by the World Economic Forum (WEF)<sup>1</sup> which we will use to disclose our status and progress towards meeting our ESG goals on a regular basis in our quarterly and annual reports. Our ESG status is reported in Appendix 1.

### **Corporate Activities:**

Pursuant to Section 6 (Payments to Related Parties) of the Appendix 5B, the Company paid \$109,389 in executive and non-executive director fees, superannuation and wages to the board of Comet Resources Limited. Expenditure incurred from operating and investing activities during the Quarter relates to legal and technical due diligence in regard to project acquisitions, exploration costs and for general working capital purposes (the **Dec Q** Expenditure). A further breakdown is included below.

#### **Dec Q Exploration Expenditure Summary**

| Project                            | Description  | Amount (\$'000) |
|------------------------------------|--|-----------------|
| Springdale                         | <ul style="list-style-type: none"> <li>Technical consulting fees</li> <li>Geological consultants</li> </ul>  | 28              |
| Santa Teresa                       | <ul style="list-style-type: none"> <li>Project management expenses for the Santa Teresa Project in Mexico</li> <li>Exploration Drilling</li> <li>Geological consultants</li> </ul> | 70              |
| Barraba                            | <ul style="list-style-type: none"> <li>Field expenses and preparation of work programs</li> </ul>  | 15              |
| General exploration and Evaluation | <ul style="list-style-type: none"> <li>Tenement access, administration and management</li> </ul>   | 1               |
| <b>Total</b>                       |  | <b>114</b>      |

#### **Dec Q Administration and Staff Expenditure Summary**

| Description   | Amount (\$'000) |
|---|-----------------|
| <ul style="list-style-type: none"> <li>Accounting, Office Administration &amp; rent, Audit and Secretarial</li> </ul> | 53              |
| <ul style="list-style-type: none"> <li>ASX Fees</li> </ul>  | 11              |
| <ul style="list-style-type: none"> <li>Non-executive Director Fees</li> </ul>   | 43              |
| <ul style="list-style-type: none"> <li>Managing Director Fees</li> </ul>  | 67              |
| <ul style="list-style-type: none"> <li>Marketing, subscriptions, Investor relations, Printing and postage</li> </ul>  | 25              |
| <ul style="list-style-type: none"> <li>Other legal, admin and corporate</li> </ul>                                    | 27              |
| <b>Total</b>  | <b>226</b>      |



This announcement has been authorised by the Board of Comet Resources Limited.

**For further information please contact:**

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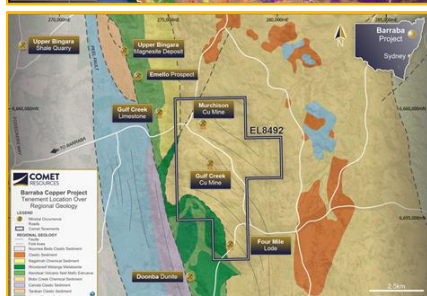
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## About Comet Resources



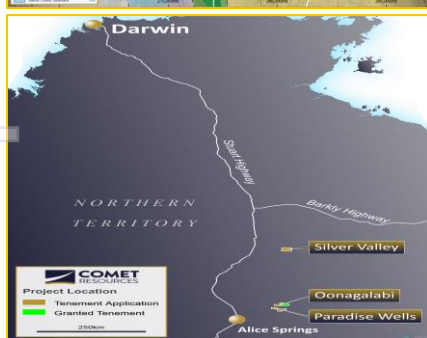
### Santa Teresa Gold Project (Mexico)

The Santa Teresa Gold Project is comprised of two mineral claims totalling 202 hectares located in the gold rich El Alamo district, approximately 100 km southeast of Ensenada, Baja California, Mexico; and 250 km southeast of San Diego, California, USA. The Project is prospective for high grade gold. In addition to the two claims of the Project, two additional claims totalling a further 378 hectares in the surrounding El Alamo district are being acquired from EARL.



### Barraba Copper Project (NSW)

The 2,375ha exploration license that covers the project area, EL8492, is located near the town of Barraba, approximately 550km north of Sydney. It sits along the Peel Fault line and encompasses the historic Gulf Creek and Murchison copper mines. The region is known to host volcanogenic massive sulphide (VMS) style mineralisation containing copper, zinc, lead and precious metals. Historical workings at Gulf Creek produced high-grade copper and zinc for a short period around the turn of the 19th century, and this area will form a key part of the initial exploration focus.



### Northern Territory Projects (NT)

The portfolio of Northern Territory exploration licenses and exploration license applications covers an area of approximately 840km<sup>2</sup>. Although historical exploration results were indicative of near surface gold and copper mineralisation, very limited modern exploration has occurred. Comet plans to utilise modern exploration techniques to rapidly advance the scale of known mineralisation, especially where known geophysical and geochemical anomalies exist that have not been comprehensively drill tested.



### Springdale Graphite Project (WA)

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 and E74/612) that make up the Springdale project, with a total land holding of approximately 198 square kilometres.

## Appendices

### Tenement List

| Project                   | Location | Tenement | Interest |
|---------------------------|----------|----------|----------|
| Springdale                | WA       | E74/562  | 100%     |
|                           |          | E74/612  | 100%     |
| Bell's find               | NSW      | M74/1055 | 25%      |
| Barraba                   | NSW      | EL8492   | 80%      |
| Northern Territory Assets | NT       | EL32279  | 100%     |
|                           |          | ELA32664 | 100%     |
|                           |          | ELA32190 | 100%     |
|                           |          | ELA32241 | 100%     |
| Santa Teresa              | Mexico   | 223182   | 50%      |
|                           |          | 210705   | 50%      |
|                           |          | 230380   | 50%      |
|                           |          | 237573   | 50%      |

### Forward-Looking Statement

This announcement 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 Person Statement

The information in this report that relates to the results of re-assay of diamond drill core from the 2008 drilling program at the Santa Teresa Gold Project as well as the assay of diamond drill core from the 2021 drilling program at the Santa Teresa Gold Project is based on information compiled by Mr Francisco Carranza Heredia, a Certified Professional Geologist (CPG 11933) with the American Institute of Professional Geologists. Mr Carranza 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 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Carranza consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

The information in this report that relates to Mineral Resources at the Springdale Project 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 a consultant and was previously 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.

The information in this report that relates to metallurgical test work results from the Springdale Project is based on information reviewed by Mr David Pass, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Pass is an employee of BatteryLimits. Mr Pass has sufficient experience relevant to the mineralogy and type of deposit under consideration and the typical beneficiation thereof to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 Edition). Mr Pass consents to the inclusion in the report of the matters based on the reviewed information in the form and context in which it appears.

### ASX Listing Rules Compliance Statement

In preparing the Quarterly Report for the period ended 31 December 2021 and to date, the Company has relied on the following ASX announcements. This report contains information extracted from ASX releases and reports cited herein. These are available to view on the website. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Quarterly Report for the period ended 31 December 2021 and to date.

|                  |            |  |
|------------------|------------|--|
| ASX Announcement | 30/11/2021 | Successful Springdale Graphite Optimisation Test Results     |
| ASX Announcement | 10/11/2021 | Springdale Spherical Graphite ICP Assay Results              |
| ASX Announcement | 02/11/2021 | Santa Teresa Drilling Results                                |
| ASX Announcement | 27/10/2021 | CRL and International Graphite to create integrated business |
| ASX Announcement | 06/10/2021 | Comet adopts ESG Reporting                                   |
| ASX Announcement | 21/09/2021 | Exceptional performance from Graphite Battery Anode Testing  |
| ASX Announcement | 1/09/2021  | Historical assays up to 132 g/t at Santa Teresa              |
| ASX Announcement | 19/07/2021 | Graphite Metallurgical Test Work Progress Update             |
| ASX Announcement | 09/06/2021 | Drilling Commences at Santa Teresa Gold Project              |
| ASX Announcement | 19/05/2021 | HOA signed for Highly Prospective Santa Teresa Gold Project  |
| ASX Announcement | 11/05/2021 | Acquisition Completion of NT Copper Projects                 |
| ASX Announcement | 10/05/2021 | Drilling Permit for Santa Teresa Gold Project Received       |
| ASX Announcement | 14/04/2021 | Graphite Metallurgical Test Work Update                      |
| ASX Announcement | 19/03/2021 | Acquisition of Highly Prospective Copper-Gold Project in NT  |
| ASX Announcement | 02/03/2021 | Aeromagnetic Survey to Commence at Barraba Copper Project    |
| ASX Announcement | 08/02/2021 | COMET RAISES \$1M IN STRATEGIC INVESTOR PLACEMENT            |
| ASX Announcement | 03/02/2021 | Santa Teresa Gold Project Update                             |
| ASX Announcement | 13/01/2021 | High Grade Copper and Zinc Mineralisation Confirmed          |
| ASX Announcement | 16/12/2020 | Santa Teresa Gold Project Drilling to Commence Q1 2021       |
| ASX Announcement | 26/11/2020 | Extensive Surface Copper Mineralisation at Barraba Project   |
| ASX Announcement | 29/10/2020 | Quarterly Activities Report and Appendix 5B Sep 2020         |
| ASX Announcement | 22/10/2020 | Comet Gains Access to Explore Barraba Copper Project         |
| ASX Announcement | 15/10/2020 | Appointment of Project Manager - Santa Teresa Gold Project   |
| ASX Announcement | 13/10/2020 | Initial JORC Resource - Santa Teresa Gold Project            |
| ASX Announcement | 25/08/2020 | Santa Teresa Gold Project Acquisition Completion             |
| ASX Announcement | 21/08/2020 | Excellent Graphite Grades - Initial Metallurgical Test Work  |
| ASX Announcement | 23/07/2020 | Barraba Copper Project Update                                |
| ASX Announcement | 15/07/2020 | Excellent Graphite Grades - Initial Metallurgical Test Work  |
| ASX Announcement | 09/06/2020 | Acquisition - Santa Teresa Gold Project and Stream Financing |
| ASX Announcement | 04/06/2020 | Acquisition - Santa Teresa Gold Project and Stream Financing |
| ASX Announcement | 16/04/2020 | Capital Raising Closed and Project Acquisition Completed     |
| ASX Announcement | 23/01/2020 | Copper Project Acquisition                                   |
| ASX Announcement | 28/11/2019 | Highest Grade Graphite Intercept to date from North Zone     |
| ASX Announcement | 25/11/2019 | West Zone Hole Confirms High Grade Graphite Continuity       |
| ASX Announcement | 15/10/2019 | More High Grade Results From Latest Diamond Drilling         |
| ASX Announcement | 09/07/2019 | EM Survey Targets Extensions to High-Grade Graphite Resource |



|                  |            |   |
|------------------|------------|---|
| ASX Announcement | 18/06/2019 | Large Priority Graphite Exploration Target Identified |
| ASX Announcement | 07/05/2019 | Comet Discovers Two New High Grade Graphite Zones     |

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 **ASX:CRL**





## APPENDIX ONE - ESG STATUS REPORT:

Comet Resources (CRL) Socialsuite

ESG Go Quarterly Progress Report

Action E Explanation D Development R Reported V Verified A Audited

Reporting Period 2 (Oct - Dec 2021)

|   |         |  | PRIORITY | TIMEFRAME | DISCLOSURE | MATURITY       |
|---|---------|--|----------|-----------|------------|----------------|
|   |         |  |          |           |            | A1 A2 A3 A4 A5 |
| <b>GOVERNANCE</b>   | GO-01-A | Setting purpose  | -        | Q3 2021   | D          | R R R R R      |
|    | GO-02-A | Governance body composition                            | -        | Q3 2021   | D          | D D D D D      |
|   | GO-03-A | Material issues impacting stakeholders                 | -        | Q4 2021   | D          | D              |
|   | GO-04-A | Anti-corruption practices                              | -        | Q3 2021   | D          | R D D          |
|   | GO-04-B | Mechanisms to protect ethical behaviour                | -        | Q3 2021   | R          | R R            |
|   | GO-05-A | Integrating risk and opportunity into business process | -        | Q4 2021   | D          | D D D D D      |
| <b>PLANET</b>   | PL-01-A | GHG emissions  | -        | H2 2022   | D          |                |
|   | PL-01-B | TCFD implementation                                    | -        | H2 2022   | D          |                |
|   | PL-02-A | Land use and ecological sensitivity                    | -        | Q4 2021   | D          |                |
|   | PL-03-A | Water consumption                                      | -        | Q4 2021   | D          | D              |
| <b>PEOPLE</b>   | PE-01-A | Diversity and inclusion                                | -        | Q3 2021   | D          | D              |
|  | PE-01-B | Pay equality   | -        | -         | E          | E              |
|   | PE-01-C | Wage level   | -        | -         | E          | E              |
|   | PE-01-D | Child, forced or compulsory labour                     | -        | H1 2022   | D          | D              |
|   | PE-02-A | Health and safety                                      | -        | Q4 2021   | D          | D              |
|   | PE-03-A | Training provided                                      | -        | -         | E          |                |
| <b>PROSPERITY</b>   | PR-01-A | Rate of employment                                     | -        | -         | E          |                |
|  | PR-01-B | Economic contribution                                  | -        | Q3 2022   | V          | V V            |
|   | PR-01-C | Financial investment contribution                      | -        | Q3 2022   | V          | V V            |
|   | PR-02-A | Total R&D expenses                                     | -        | Q3 2022   | V          | V              |
|   | PR-03-A | Total tax paid   | -        | Q3 2022   | V          | V              |

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Comet Resources Limited

ABN

88 060 628 202

Quarter ended ("current quarter")

31 December 2021

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| <b>1.</b>                            | <b>Cash flows from operating activities</b>           |                            |                                       |
| 1.1                                  | Receipts from customers                               | -                          | -                                     |
| 1.2                                  | Payments for  |                            |                                       |
|                                      | (a) exploration & evaluation                          | (114)                      | (913)                                 |
|                                      | (b) development                                       | -                          | -                                     |
|                                      | (c) production  | -                          | -                                     |
|                                      | (d) staff costs                                       | (67)                       | (125)                                 |
|                                      | (e) administration and corporate costs                | (159)                      | (375)                                 |
| 1.3                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 1.4                                  | Interest received                                     | -                          | 1                                     |
| 1.5                                  | Interest and other costs of finance paid              | -                          | -                                     |
| 1.6                                  | Income taxes paid                                     | -                          | -                                     |
| 1.7                                  | Government grants and tax incentives                  | -                          | -                                     |
| 1.8                                  | Other (provide details if material)                   | 13                         | 1                                     |
| <b>1.9</b>                           | <b>Net cash from / (used in) operating activities</b> | <b>(327)</b>               | <b>(1,411)</b>                        |
| <b>2.</b>                            | <b>Cash flows from investing activities</b>           |                            |                                       |
| 2.1                                  | Payments to acquire or for:                           |                            |                                       |
|                                      | (a) entities  | -                          | -                                     |
|                                      | (b) tenements   | -                          | -                                     |
|                                      | (c) property, plant and equipment                     | -                          | -                                     |
|                                      | (d) exploration & evaluation                          | -                          | -                                     |
|                                      | (e) investments                                       | -                          | -                                     |
|                                      | (f) other non-current assets                          | -                          | -                                     |



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2                                  | Proceeds from the disposal of:                        |                            |                                       |
|                                      | (a) entities  | -                          | -                                     |
|                                      | (b) tenements   | -                          | -                                     |
|                                      | (c) property, plant and equipment                     | -                          | -                                     |
|                                      | (d) investments                                       | -                          | -                                     |
|                                      | (e) other non-current assets                          | -                          | -                                     |
| 2.3                                  | Cash flows from loans to other entities               | -                          | -                                     |
| 2.4                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 2.5                                  | Other (provide details if material)                   | -                          | -                                     |
| 2.6                                  | <b>Net cash from / (used in) investing activities</b> | -                          | -                                     |

|           |   |   |   |
|-----------|---|---|---|
| <b>3.</b> | <b>Cash flows from financing activities</b>   |   |   |
| 3.1       | Proceeds from issues of equity securities (excluding convertible debt securities)       | - | - |
| 3.2       | Proceeds from issue of convertible debt securities                                      | - | - |
| 3.3       | Proceeds from exercise of options   | - | - |
| 3.4       | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5       | Proceeds from borrowings  | - | - |
| 3.6       | Repayment of borrowings   | - | - |
| 3.7       | Transaction costs related to loans and borrowings                                       | - | - |
| 3.8       | Dividends paid  | - | - |
| 3.9       | Other (Raptor Financing)  | - | - |
| 3.10      | <b>Net cash from / (used in) financing activities</b>                                   | - | - |

|           |  |       |         |
|-----------|--|-------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |       |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 1,256 | 2,351   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (327) | (1,411) |
| 4.3       | Net cash from / (used in) investing activities (item 2.6 above)              | -     | -       |
| 4.4       | Net cash from / (used in) financing activities (item 3.10 above)             | -     | -       |

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5                                  | Effect of movement in exchange rates on cash held | (1)                        | (12)                                  |
| 4.6                                  | <b>Cash and cash equivalents at end of period</b> | <b>928</b>                 | <b>928</b>                            |

| 5.  | Reconciliation of cash and cash equivalents<br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances  | 908                        | 1,236                       |
| 5.2 | Call deposits  | 20                         | 20                          |
| 5.3 | Bank overdrafts  | -                          | -                           |
| 5.4 | Other (provide details)  | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>928</b>                 | <b>1,256</b>                |

| 6.  | Payments to related parties of the entity and their associates                          | Current quarter<br>\$A'000 |
|-----|---|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 109                        |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | -                          |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7.  | <b>Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>  | <b>Total facility amount at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
|-----|---|---|--|
| 7.1 | Loan facilities   | -   | -  |
| 7.2 | Credit standby arrangements   | -   | -  |
| 7.3 | Other (please specify)  | -   | -  |
| 7.4 | <b>Total financing facilities</b>   | -   | -  |
| 7.5 | <b>Unused financing facilities available at quarter end</b>   |   | -  |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. |   |  |
|     |   |   |  |

| 8.  | <b>Estimated cash available for future operating activities</b>  | <b>\$A'000</b> |
|---|--|----------------|
| 8.1   | Net cash from / (used in) operating activities (item 1.9)  | (327)          |
| 8.2   | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))   | -              |
| 8.3   | Total relevant outgoings (item 8.1 + item 8.2)   | (327)          |
| 8.4   | Cash and cash equivalents at quarter end (item 4.6)  | 928            |
| 8.5   | Unused finance facilities available at quarter end (item 7.5)  | -              |
| 8.6   | Total available funding (item 8.4 + item 8.5)  | 928            |
| 8.7   | <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>  | 2.84           |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> |  |                |
| 8.8   | If item 8.7 is less than 2 quarters, please provide answers to the following questions:  |                |
| 8.8.1   | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?  |                |
| Answer: NA  |  |                |
| 8.8.2   | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? |                |
| Answer: NA  |  |                |



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: NA

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....31/1/22.....

Authorised by: .....By the Board.....  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.