

Quarterly Activities Report – December 2022

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 2022 (the **Quarter**).

Mount Margaret Copper Project:

Comet announced on 5 January 2023 that as the conditions precedent to settlement of the agreement between the Company and Glencore for the acquisition of the Mount Margaret Project were not capable of being satisfied by the original end date of 2 December 2022, the Company and Glencore agreed an extension to the condition precedent end date to 31 March 2023. The timetable for the close of the acquisition, which was previously disclosed in the Company's announcement of 25 November 2022 will be updated in a future announcement once the Company has received further feedback from the ASX.

On 20 January 2023, a Second Supplementary Prospectus was lodged with ASIC. The effect of the Second Supplementary Prospectus was to withdraw the offers the subject of the Company's prospectus dated 19 October 2022 as the Corporations Act timeframe for issue and quotation of the shares the subject of the prospectus had expired. The Company intends to lodge a new notice of general meeting and prospectus to allow the Company to complete the condition precedents to the acquisition of the Mount Margaret Project prior to 31 March 2023 as noted above.

Corporate Activities:

Pursuant to Section 6 of the Appendix 5B, the Company paid \$23,876 in 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)
General exploration and Evaluation	<ul style="list-style-type: none"> Tenement access, administration and management Tenement Legal 	7
Total		7

DEC Q Administration and Staff Expenditure Summary

Description	Amount (\$'000)
<ul style="list-style-type: none"> Accounting, Office Administration & rent, Audit and Secretarial 	Nil
<ul style="list-style-type: none"> ASX Fees 	143
<ul style="list-style-type: none"> Non-executive Director Fees 	Nil
<ul style="list-style-type: none"> Managing Director Fees 	24
<ul style="list-style-type: none"> Marketing, subscriptions, Investor relations, Printing and postage 	11

• Other legal, admin and corporate	8
Total	186

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

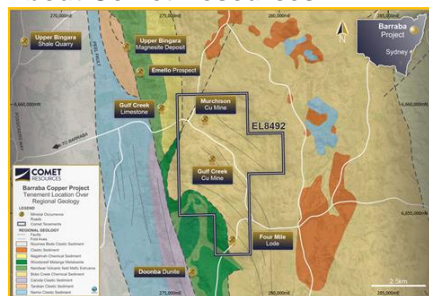
For further information please contact:

MATTHEW O'KANE

Managing Director

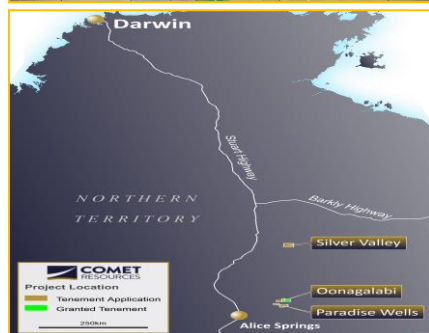
- ☎ (08) 6489 1600
- ✉ comet@cometres.com.au
- 🌐 cometres.com.au
- 📍 Suite 9, 330 Churchill Avenue Subiaco WA 6008
- ✉ PO Box 866 Subiaco WA 6904

About Comet Resources



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 840km². 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.

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.

Appendices

Tenement List

Project	Location	Tenement	Interest
Barraba	NSW	EL8492	80%
	NT	EL32279	100%
Northern Territory Assets		ELA32664	100%
		ELA32190	100%

For personal use only

ELA32241

100%

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources Estimates is based on information compiled or reviewed by Ms Elizabeth Laursen (B. ESc (Hons)., GradDipAppFin, MAIG, MSEG). Ms Laursen is a member of the Australian Institute of Geoscientists. Ms Laursen has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Mrs Laursen consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

ASX Listing Rules Compliance Statement

In preparing the Quarterly Report for the period ended 31 December 2022 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 2022 and to date.

ASX Announcement	20/01/2023	Second Supplementary Prospectus
ASX Announcement	05/01/2023	UPDATE ON MOUNT MARGARET COPPER PROJECT ACQUISITION
ASX Announcement	25/11/2022	SUPPLEMENTARY PROSPECTUS
ASX Announcement	20/10/2022	PROSPECTUS
ASX Announcement	12/10/2022	Notice of General Meeting/Proxy Form
ASX Announcement	16/09/2022	Comet Acquires Strategic Qld Copper Project from Glencore

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 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(7)	(59)
(b) development	-	-
(c) production	-	-
(d) staff costs	(24)	(100)
(e) administration and corporate costs	(170)	(268)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	122
1.8 Other (IG6 GST Paid)	3	(384)
1.9 Net cash from / (used in) operating activities	(193)	(684)
2. Cash flows from investing activities		
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 \$A'000	Year to date (6 months) \$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	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
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	100	100
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	Net cash from / (used in) financing activities	100	100

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	167	658
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(93)	(584)
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)	-	-

For personal use only

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	74	74

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	54	147
5.2	Call deposits	20	20
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	74	167

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	24
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.

For personal use only

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(193)
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)	(193)
8.4 Cash and cash equivalents at quarter end (item 4.6)	74
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	74
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.38
<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: CRL will seek to acquire 100% of the MT Margaret Copper Project from Glencore. This will require ASX re-compliance under chapter 1 and 2 of the ASX Listing Rules. This will increase operating cash flows post completion however they will be funded by the capital raise that will be completed to fund the transaction.	
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: Please refer above section 8.8.1.	

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: Yes, in the near term and following re-compliance as detailed in section 8.8.1

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:31/1/2023.....

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.