

Quarterly Activities Report – March 2023

Comet Resources Limited (**Comet** or the **Company**) (**ASX:CRL**), is pleased provide the Quarterly Activities Report and Appendix 5B for the quarter ending 31 March 2023 (the **Quarter**).

Further to the Company's announcement on 5 January 2023, and withdrawal of its prospectus dated 19 October 2022 by way of a second supplementary prospectus (announced on 20 January 2023), Comet announced the execution of an amended binding share sale agreement to acquire 100% interest of the Mt Margaret Copper Project and associated regional tenements near Cloncurry, Queensland (**Project** or **Mt Margaret**) from Mount Isa Mines Limited, a wholly-owned subsidiary of Glencore Plc (**Glencore**) (**Acquisition**).

Highlights:

- **Key Transaction points remain unchanged:**
 - **Comet to acquire 100% of Mt Margaret Copper Project from Glencore**
 - **Company to raise \$27m to fund acquisition and initial post-acquisition pre-development activities, with the raise including a \$5m priority offer to existing Comet shareholders**
 - **Glencore to provide 3-year loan of \$27m to Comet – substantially reducing up front dilution for Comet shareholders**
- **Further improved transaction terms:**
 - **49.975m options previously approved to be issued as part of the transaction will now not be issued**
 - **MMM¹ New Shareholders, who will hold 52.3m shares, to enter into voluntary escrow agreements for 12-months following Comet's re-listing**
- **Located only 7km from key processing infrastructure at Ernest Henry, where Mt Margaret ore was previously processed into export quality copper concentrate**
- **JORC open-pit Resources of 13.0Mt at 0.78% copper and 0.24g/t gold with >95% in the Measured and Indicated categories (refer to Table 1)²**
- **Near-term production potential – 2 open pits already pre-stripped**
- **Significant potential for Resource growth through further exploration**
- **Defined high priority exploration targets – Both extensional and regional**

On 24 February 2023 the Company lodged a prospectus with the Australian Securities & Investment Commission and ASX (Prospectus) for the public offer, comprising the priority offer to Shareholders and an offer to the general public, and the secondary offers as detailed in Section 4.2 of the Prospectus. On 27 April 2023 the closing date for the general offer was extended to 11 May 2023.

¹ Minerals Mining and Metallurgy Limited (ACN 645 972 309), a party to the Acquisition agreement

² ASX announcement dated 4 April 2022 – 'Comet Acquires Strategic Qld Copper Project from Glencore'

| Deposit | Classification | Tonnage (Mt) | Cu (%) | Au (g/t) |
|--------------|--|--------------|-------------|-------------|
| E1 | Measured | 4.6 | 0.70 | 0.20 |
| | Indicated | 5.5 | 0.75 | 0.23 |
| | Inferred | 0.4 | 0.90 | 0.30 |
| | TOTAL | 10.5 | 0.74 | 0.22 |
| Monakoff | Measured | 0.0 | 0.0 | 0.0 |
| | Indicated | 2.4 | 0.95 | 0.3 |
| | Inferred | 0.1 | 0.80 | 0.20 |
| | TOTAL | 2.5 | 0.94 | 0.30 |
| Total | Measured + Indicated + Inferred | 13.0 | 0.78 | 0.24 |

Table 1 – Resources with cut-off grades for E1 0.3% Cu and Monakoff 0.5% Cu, reported in accordance with the JORC Code, 2012

Corporate Activities:

On 24 February 2023 the Company lodged a Notice of General Meeting for a meeting of shareholders to be held on 27 March 2023, with all resolutions subsequently passed at that meeting.

The following options expired during the Quarter:

- 3,112,588 options exercisable at \$0.30 on 12 February 2023
- 612,588 options exercisable at \$0.50 on 12 February 2023
- 612,588 options exercisable at \$0.70 on 12 February 2023

Pursuant to Section 6 of the Appendix 5B, the Company accrued director fees, superannuation and wages to the board of Comet Resources Limited for the prior quarters and March quarter. 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 **MAR Q** Expenditure). A further breakdown is included below.

MAR 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 | 13 |
| Total | | 13 |

MAR Q Administration and Staff Expenditure Summary

| Description | Amount (\$'000) |
|---|-----------------|
| <ul style="list-style-type: none"> • Accounting, Office Administration & rent, Audit and Secretarial | Nil |

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| | |
|--|-----------|
| • GST Refund and Interest Income | (37) |
| • Non-executive Director Fees | Nil |
| • Managing Director Fees | Nil |
| • Marketing, subscriptions, Investor relations, Printing and postage | 4 |
| • Other legal, admin and corporate | 34 |
| Total (Exploration and Administration) | 14 |

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

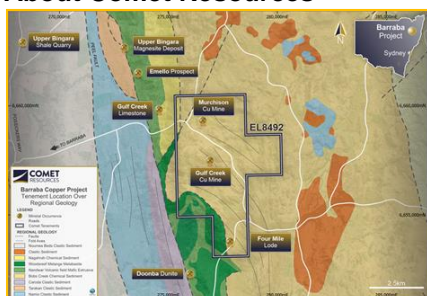
✉ comet@cometres.com.au

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📍 Suite 9, 330 Churchill Avenue Subiaco WA 6008

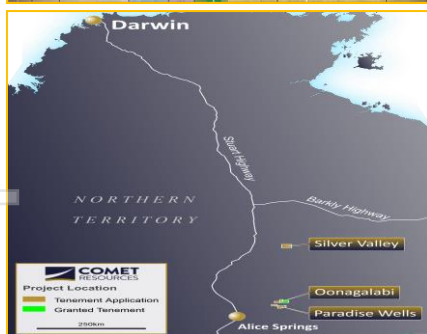
✉ PO Box 866 Subiaco WA 6904

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 | | EL32190 | 100% |
| | | EL32241 | 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 Director of Metals Mining and Metallurgy Limited and 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 she is 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 her 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 March 2023 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 following 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 following announcements or this quarterly report for the period ended 31 March 2023 and to date.

| | | |
|------------------|------------|--|
| ASX Announcement | 20/01/2022 | Second Supplementary Prospectus |
| ASX Announcement | 05/01/2022 | 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 |
| ASX Announcement | 27/03/2023 | Extension of Closing Date |
| ASX Announcement | 27/03/2023 | Results of Meeting |
| ASX Announcement | 16/03/2023 | Half Year Accounts |
| ASX Announcement | 27/02/2023 | Investor Webinar with CRL MD - Mount Margaret Copper Project |
| ASX Announcement | 24/02/2023 | PROSPECTUS |
| ASX Announcement | 24/02/2023 | Notice of General Meeting/Proxy Form |
| ASX Announcement | 21/02/2023 | Update - Proposed issue of securities - CRL |
| ASX Announcement | 21/02/2023 | Update - Proposed issue of securities - CRL |
| ASX Announcement | 21/02/2023 | CRL Acquisition - Strategic Qld Copper Project from Glencore |
| ASX Announcement | 15/02/2023 | Notification of cessation of securities - CRL |
| ASX Announcement | 31/01/2023 | Quarterly Activities Report and Appendix 5B Dec 2022 |
| ASX Announcement | 20/01/2023 | Second Supplementary Prospectus |
| ASX Announcement | 5/01/2023 | UPDATE ON MOUNT MARGARET COPPER PROJECT ACQUISITION |

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 March 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (13) | (72) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | - | (100) |
| (e) administration and corporate costs | (38) | (306) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 9 | 14 |
| 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) | 28 | (357) |
| 1.9 Net cash from / (used in) operating activities | (14) | (698) |
| 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 (9 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 | 74 | 658 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (14) | (598) |
| 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) | - | - |

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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 (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 60 | 60 |

| 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 | 55 | 54 |
| 5.2 | Call deposits | 5 | 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) | 60 | 74 |

| 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 | - |
| 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.

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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) | (14) |
| 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) | (14) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 60 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 60 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 4.29 |
| <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:28/4/23.....

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.

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