

Update on High Grade Santa Teresa Gold Project

Highlights:

- Due diligence on track for the proposed acquisition of the high grade Santa Teresa Gold Project in Baja California, Mexico
- Law firm in Mexico appointed to complete legal, tax and tenement due diligence on El Alamo Resources Limited (“EARL”) Mexican subsidiary Grupo Alamo S.A de C.V
- Due diligence on Raptor Capital International Limited (“Raptor”) also progressing on schedule
- Deemed issue price of \$0.025 per Share now agreed for the share consideration component of initial 50% acquisition
- Projected completion of all due diligence workstreams during Q3
- Plans for initial field work in Q4 being prepared

Comet Resources Ltd (Comet or the Company) (ASX:CRL) is pleased provide an update on the progress of its due diligence workstreams related to the binding heads of agreement (HOA) with privately owned El Alamo Resources Limited (EARL) for the proposed 100% acquisition (Acquisition) of the Santa Teresa Gold Project (Project), and the concurrently executed non-binding term sheet with Raptor Capital International Limited (Raptor) for a gold streaming and royalty financing (Financing) to fund activities at the Project for up to US\$20 million (initial minimum of US\$6 million).

Comet Managing Director, Matthew O’Kane, commented, *“Over the last 4 weeks since we announced the signing of the HoA for the Santa Teresa Gold Project and Raptor financing, we have been working hard on advancing the due diligence work streams with a view to completing them as soon as possible. I am focussed on completing all required work in Q3 and am looking forward to finalising the transaction in what is shaping up to be a very interesting gold market in the second half of this year. Comet is in discussions with professional mining consultancy firms with resources in country, who will be able to manage the Company’s planned work programs following completion of the acquisition.”*

The Acquisition will be completed on a staged basis, with Comet acquiring a 50% interest upon satisfaction of due diligence and the initial US\$6 million Financing being made available to the Company, with the remaining 50% interest to be acquired upon a decision to mine. Please refer to the Company’s announcement of June 9, 2020, for full details of the proposed acquisition. Since the Company’s initial announcement of the Acquisition, the Company has agreed the deemed issue price of Shares as consideration for the Acquisition. The deemed issue price of Shares for the Company’s acquisition of the first 50% interest in the Project will be \$0.025 per Share and the deemed issue price of Shares for the second 50% interest will be equal to the volume weighted average price of Shares over the 20 days prior to the date of issue of the Shares.

About the Santa Teresa Gold Project:

The high grade Santa Teresa Gold Project is comprised of two mineral claims totalling 202 hectares located in the gold rich El Alamo district, immediately to the south of the town of El

Alamo, 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, with an existing Inferred Resource of 64,000oz Au at an average grade of 8.7g/t, reported at a cut-off grade of 4g/t.** The foreign resource estimate has been reported under NI 43-101 standards and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the foreign estimates as mineral resources in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources in accordance with the JORC Code.

In addition to the two claims of the Project, two additional claims totalling a further 378 hectares in the surrounding El Alamo district are proposed to be acquired from EARL.

Placer gold deposits of the El Alamo district were discovered in 1888. High grade ore-shoots were subsequently discovered on the Aurora-Princess vein within a year. Lode mining continued until 1907, after which leases were worked until 1912 when mining ceased as a result of the Mexican Revolution. The reported gold production of the El Alamo district has been estimated between 100,000 to 200,000 ounces of gold.

Gold, which is currently sitting at decade highs (~US\$1,800/oz) may have further upside to price due to the current economic uncertainty caused by the COVID-19 pandemic and the related unrelenting money printing of many central banks.

Historical drilling programs at the Santa Teresa Gold Project have generated multiple high grade intercepts, highlighting the potential exploration upside to the current resource, which is open at depth and along strike.

Hole	From (m)	To (m)	Interval (m)	Au (g/t)
ST_0001	127.4	128.6	1.2	24.6
ST_0001	217.0	218.0	1.0	11.5
ST_0003	19.0	21.0	2.0	32.4
ST_0005	239.0	240.0	1.0	958.4
ST_0006	173.8	176.3	2.5	38.3
ST_0007	88.8	90.0	1.2	15.7
ST_0007	163.0	164.0	1.0	17.1
ST_0008	55.0	56.0	1.0	33.9
ST_0008	121.1	125.0	3.9	39.4
ST_0010	214.0	217.0	3.0	19.9
ST_0012	201.5	202.5	1.0	29.1
ST_0013	83.1	84.1	1.0	125.9
ST_0013	112.7	113.7	1.0	16.1
ST_0022	59.4	62.5	3.1	14.4
ST_0030	101.4	104.5	3.1	16.7
ST_0032	152.7	154	1.4	21.1

Figure 1: Prior drilling intercepts. All Au grades > 20g/t are capped at 20g/t for the purpose of resource estimation. Please see the Company's announcement of June 9, 2020, for full details of historical drilling



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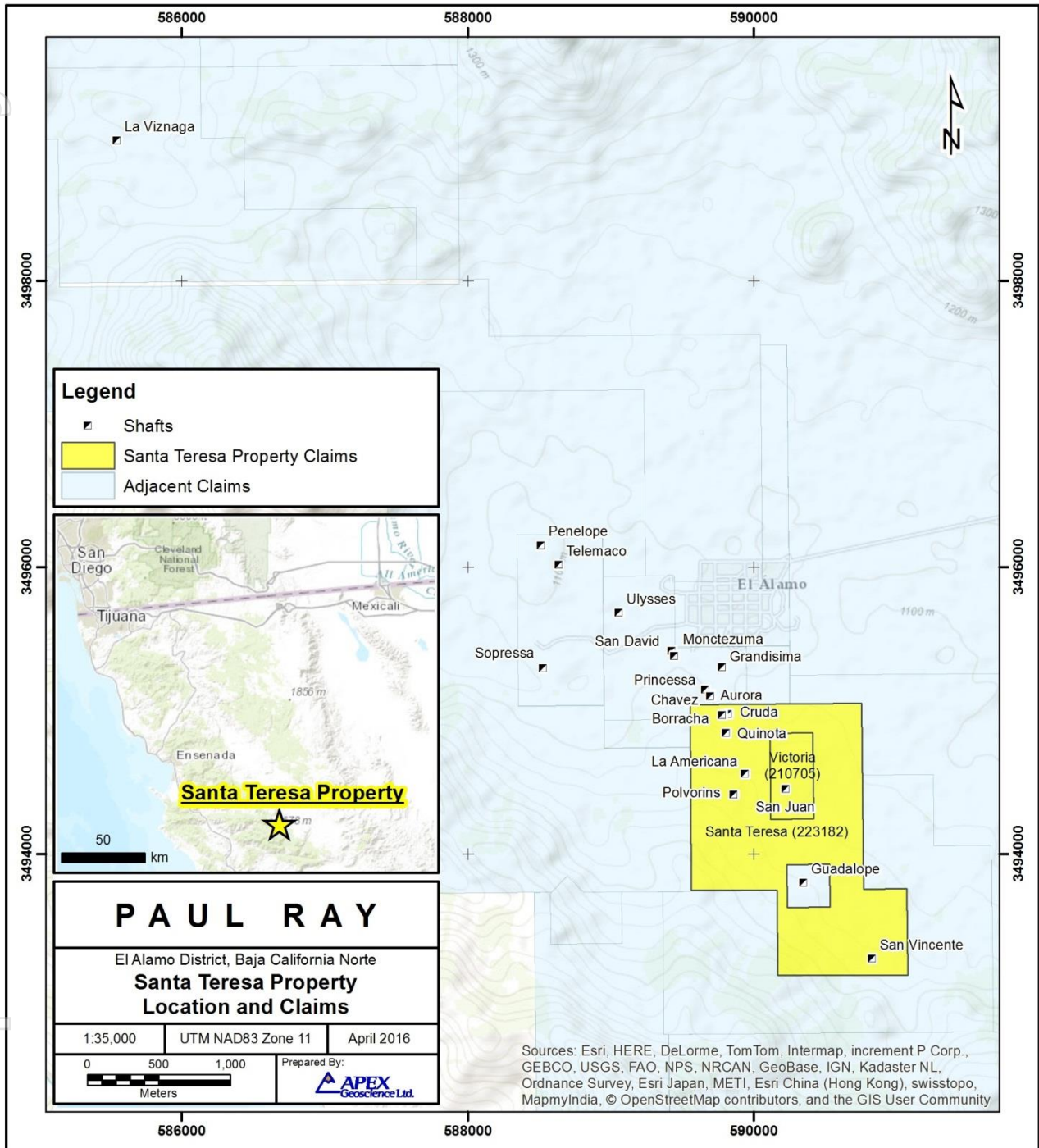


Figure 2 – Santa Teresa Project location

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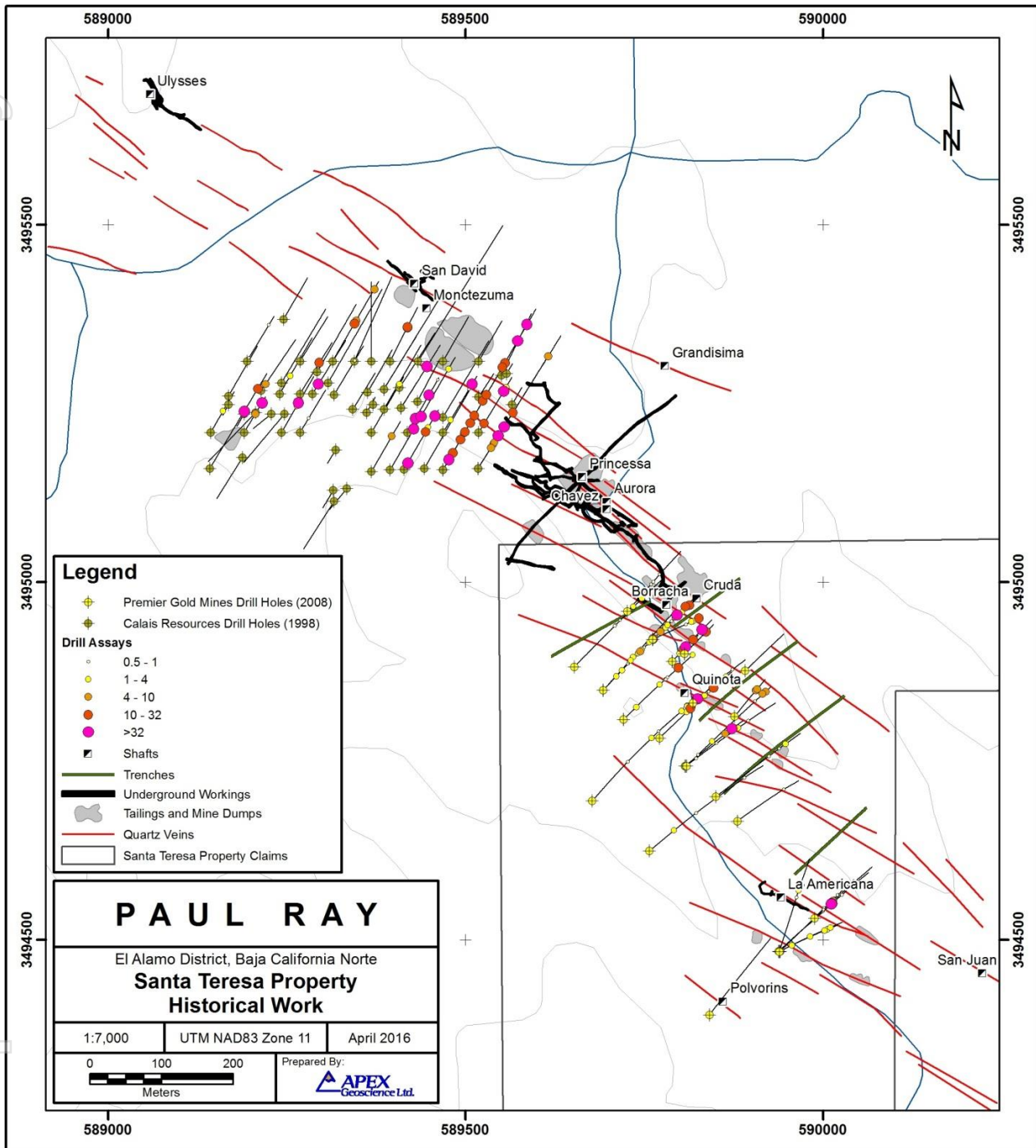


Figure 3: Historical drilling at Santa Teresa and surrounding tenements

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Figure 4: Visible gold in drill core from prior exploration at Santa Teresa

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

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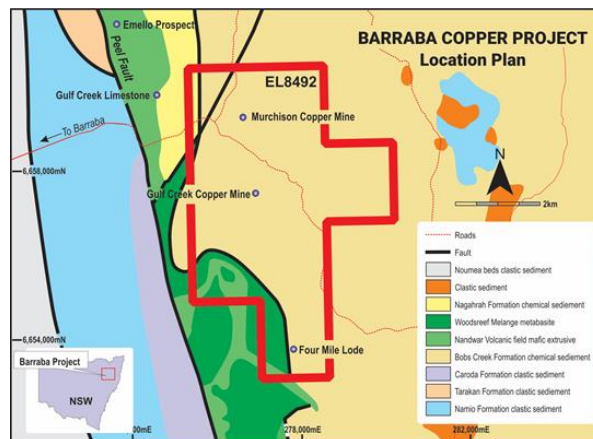
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About Comet Resources

- 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.



- 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.



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.

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.