

## Streaming Agreement for up to US\$20m Finalised

Comet Resources Ltd (Comet or the Company) (ASX:CRL) is pleased to announce that it has executed binding documents with Raptor Capital International Limited (Raptor) for the provision of a streaming facility to provide a minimum of US\$6m and up to US\$20m in funding for development of the Santa Teresa High Grade Gold Project in Baja California, Mexico (Project).


The facility will become available after a certain conditions precedent are met, including Comet making a decision to mine at the Project. For full details of the streaming agreement please see Appendix 1 of this announcement. Security provided under the streaming agreement will only cover the Santa Teresa Project and associated assets and will not extend to any of the Company's assets outside of Mexico.

Comet's Managing Director, Matthew O'Kane, commented ***"Finalisation of the Streaming Agreement with Raptor provides Comet with non-dilutive capital for the development of a mining operation at Santa Teresa Gold Project. We are presently working toward upgrading the existing foreign resource estimate at the Project to a JORC compliant resource. Information gained from completing the JORC resource will also assist us in planning the initial exploration activities at the Project, including our first drilling program."***


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](mailto:comet@cometres.com.au)

 [cometres.com.au](http://cometres.com.au)

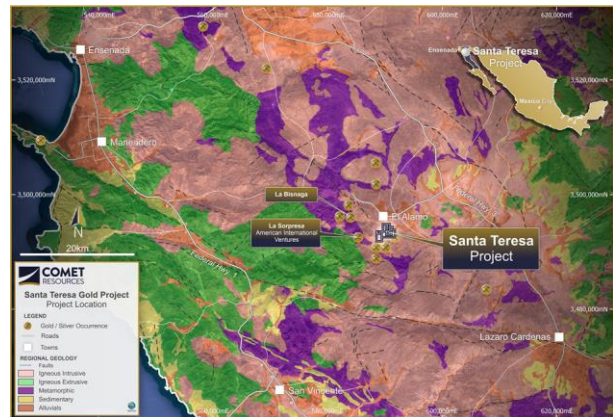
 Suite 9, 330 Churchill Avenue Subiaco WA 6008

 PO Box 866 Subiaco WA 6904

## About Comet Resources

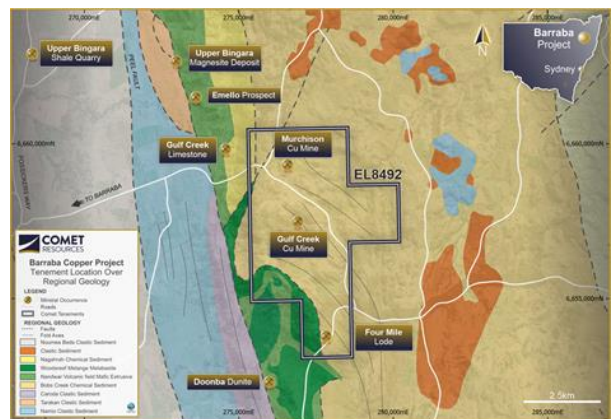
### Santa Teresa Gold Project (Mexico)

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.



### 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.

## Appendix 1 – Terms and Conditions of Raptor Streaming Agreement

### Facility

Subject to a number of conditions precedent, as set out below, Raptor has agreed to make a facility for an aggregate sum of US\$6,000,000 available to the Company to finance development of the Project on an as needed basis (Facility), with potential to increase the aggregate sum of the Facility to a maximum of US\$20,000,000 subject to Raptor approval. It is the Company's current intention to only seek an aggregate of up to US\$6,000,000 under the Facility at this stage.

### Conditions Precedent

Raptor's obligation to make the Facility available to the Company is subject to the following conditions being satisfied or waived by Raptor:

- El Alamo Resources Limited (**EARL**) and its subsidiaries (**EARL Group**) entering into security agreements under which a general security will be granted to Raptor in respect of the Facility over all of the assets and undertakings of the EARL Group, and such security arrangements being perfected under relevant law;
- Raptor completing due diligence in respect of the EARL Group and the Project;
- no event of default occurring under the Agreement; and
- the Company completing its acquisition of 100% of EARL (**Acquisition**).

### Term

The term of the Facility will commence upon satisfaction of the conditions precedent and continue until the Stream Ounces (defined below) are delivered to Raptor (**Term**), provided that Raptor is entitled to terminate the agreement if the Acquisition is not completed within 24 months or upon the occurrence of an event of default.

### Stream Ounces

Repayment of the Facility will be made through delivery to Raptor of gold from the Project (**Stream Ounces**). The Stream Ounces are to be settled via delivery to Raptor of every second ounce of gold produced from the Project mine (**Mine**) as soon as the Mine has exceeded an initial production floor of 833 ounces of gold per month (**Production Floor**). The Stream Ounces are to be delivered to Raptor by way of credit in metal or physical allocation to the metal account designated by Raptor, or to such other location specified by Raptor. If the Project does not reach a production rate of 1,666 ounces of gold per month within 12 months of first production at the Project, then every second ounce of gold above 208 ounces must be delivered per month.

A total of 15,000 ounces of gold are required to be delivered under the initial US\$6,000,000 facility, with any increases in the facility increasing the deliveries required linearly. If the Company draws down more or less of the Facility, the gold required to be delivered will be altered accordingly.

### Royalty

A 2.5% net smelter return royalty will be payable to Raptor on all minerals produced from the existing concessions held by Grupo and comprising the Project and a 1% net smelter return will be payable to Raptor on all minerals produced from other concessions acquired in the San Marcos Dyke Swarm located in northern Baja California, Mexico.

### Transaction Fee

2.5% of the initial US\$6,000,000 facility is to be retained by Raptor, regardless of whether the full US\$6,000,000 facility is drawn. Each amount advanced under the Facility after the initial US\$6,000,000 is to be retained by from the moneys drawn.

## Events of Default

The agreement is subject to customary default events, including the following:

- failure to deliver the Stream Ounces or pay the Royalty to Raptor;
- the average monthly gold production over any 6 month period (commencing on the date that is 12 months following commencement of commercial production) is less than 208 ounces;
- any representations or warranties made by the Company or EARL Group being incorrect and unrectified for a period of 30 days;
- failure to comply with any material obligation under the agreement, including requirements that the Company maintains the Project and mining operations;
- an insolvency event occurring in respect of the Company or any member of the EARL Group;
- the security granted to Raptor being contested by the Company or a member of the EARL Group, or ceasing to be a valid security;
- a change of control occurring in respect of any member of the EARL Group, other than as a result of a takeover bid being made in respect of the Company.

Upon the occurrence of an event of default, Raptor will be entitled to terminate its obligation to provide the Facility to the Company, require immediate repayment of amounts provided to the Company and enforce the security granted by EARL Group.

## Other Matters

The agreement is otherwise subject to customary provisions, including a first right of refusal for any grant of a stream in respect of projects held by the EARL Group to another entity, restrictions on making major decisions in respect of the Project (such as a disposal, variation of material contract, significant increases in planned capital or operating expenditure, granting of encumbrances in respect of the secured property, restructuring the EARL Group and commencing legal proceedings), reporting and information audit rights in favour of Raptor, confidentiality obligations and indemnities in favour of Raptor for breach or misrepresentation.