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ASX Release

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Compass Resources NL
Annual General Meeting – 22 May, 2008
Managing Director's Presentation

Please find attached the Managing Director's Presentation as presented at the Annual General Meeting of shareholders today.

For further information:

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ANNUAL GENERAL MEETING

MAY 2008





Annual General Meeting May 2008

- **Browns Oxide Project Update**
- **Browns Sulfide Project Update**
- **Area 55 and Mt Fitch Copper**
- **Uranium**
- **Exploration**
- **Joint Venture Progress**
- **Company Evolution**



Browns Oxide Project Update



Oxide Project Summary

- Oxide project construction workforce has peaked
 - Workforce numbers expected to reduce from late May
- Civil and structural works essentially complete
- Mechanical, piping and electrical works being prioritised to suit the commissioning schedule
- A detailed commissioning schedule has been prepared and pre-commissioning is in progress
- HV power connection completed
 - HV power connected on 20 May
- First feed to crushing/grinding planned for 28 May
- Feed will be introduced progressively to other areas of the plant as they become available.
- All commissioning expected to be complete in July



Browns Oxide Project

Progress

Overall Completion	
Civil	99%
Structural/platework	97%
Mechanical	65%
Electrical	65%
Piping	70%
Commissioning	11%



Browns Oxide Project

Key Issues

- **Safety awareness following mains power connection and procedures associated with Commissioning activities.**
- **Completion of remaining electrical and piping works.**
- **Progressive extension of power to various MCCs**
- **Reassessment of project final cost**
- **Commissioning of critical plant – particularly Acid Leach and Resin in Pulp circuits.**



Browns Sulfide Project Update



Summary

- **Bench test work continuing**
 - **Good dissolution from Pressure Oxidation**
 - **Intec (3 processes) , NSC and Activox[®] trials continue**
- **Layout/design of plant front end in progress:**
 - **Crushing, Milling, classification and flotation**
 - **Base case plant capacity – 4 Mt/y**
- **Further development of mine plan held pending updated resource model - due mid June**
- **Baseline environmental monitoring (wet season) continuing**
- **Variability test work program approved**



Process Options

- **Bulk concentrate production complete**
 - **All concentrate samples have been sent to the respective test facilities**
- **Bulk ore sample (1 t) air freighted to China for differential flotation test-work at BGRIMM**
- **Early test results suggest some options will soon be eliminated due to:**
 - **Low metallurgical recovery**
 - **Technical complexity**
- **Second process options workshop planned for early July**
 - **This will select one (possibly two) options for plant design and full pilot trials**



Mine Plan, Option Studies and Schedule

- **Project footprint and conceptual layouts prepared and reviewed internally**
 - **Project footprint requires further development**
 - **Mine plan deferred until revised resource estimate completed (June)**
- **Baseline project schedule developed and under internal review**
- **Studies for power supply, water supply and tailings disposal options have either commenced or will commence during May**
- **Development of sulfide project financial model well advanced**
- **Study is on schedule and remains within budget**



Bulk Sample Program

- **Bulk sample deferred to later in 2008**
 - **Sufficient material from 1999 program and subsequent metallurgical drilling programs is available for all immediate test work requirements**
- **Sample pit currently being excavated to access sulfide ore**
- **Sample extraction now scheduled for Aug/Sept**
- **Sample quantity 400-500t**
- **Sample will be crushed, blended and then bagged for freezer storage for later processing to concentrate**



Browns Sulfide Project

Key issues

- Evaluation of bench test results and elimination of unattractive process options
- Land tenure – awaiting site layouts and preliminary mine plan
- Environmental approvals – meeting with statutory authorities proposed in May and June
- Updated resource model
- Water, power and tailing options studies



Area 55 and Mt Fitch Copper



Area 55 and Mt Fitch Copper

- **Project manager appointed**
- **Both projects to be taken forward concurrently**
- **Environmental baseline monitoring being undertaken concurrently with the Sulfide project**
- **A conceptual mine plan has been prepared for Area 55**
- **Mt Fitch – updated copper resource estimate due in June**
- **Budgets developed for both projects and issued for approval**



Uranium



Uranium

- **Mt Fitch uranium resource estimated in 2006 based on historical drilling results and drill logs**
- **Historical drilling was only partially analysed**
- **Incorporation of 2006 / 2007 drilling results into database raised questions about interpretation of historical results**
- **New modelling indicates mineralisation bounded by faults**
- **All data (historical and new) passed to a new geological consultant early 2008 for re-interpretation and assessment**
- **Revised geological model and resource estimation expected in June**
- **Region remains highly prospective for uranium**



Uranium Prospectivity

Recent significant uranium intersections

- **Mt Fitch U Prospect**
 - **07MF27** 7m @ 2.6 lb/t
 - **07MF30** 13m @ 1.9 lb/t
 - **07MF33** 16m @ 1.1 lb/t
- **Browns East Prospect**
 - **07BE01** 6m @ 4.65 lb/t
 - **07BE17** 7m @ 4.0 lb/t
 - **07BE21** 15m @ 3.9 lb/t
- **Rum Jungle East Prospect**
 - **07RJE03** 22m @ 1.8 lb/t
 - 18m @ 4.6 lb/t
- **Rum Jungle Creek South Prospect**
 - **07RJS04** 13m @ 1.19 lb/t
 - 9m @ 1.53 lb/t
 - **07RJS05** 9m @ 1.55 lb/t



Exploration



Exploration

- **Northern Territory focus**
- **Compass holds 243 km² of tenements in the Batchelor/Rum Jungle region**
- **All of the mineralisation detected occurs on the Coomalie Dolomite/Whites Formation contact**
- **Tenements include approximately 100 km of the target contact**
- **Less than 50% of the contact has been effectively tested for base metals or uranium**



Joint Venture Progress



Joint Venture

- **Three Joint Ventures with Hunan Nonferrous Metals Corporation – Oxide, Sulfide, Regional Exploration**
- **Agreements signed in April 2007**
- **Condition Precedent related to acceptable Stamp Duty assessment and CP satisfaction cut off date**
- **Ongoing discussions with relevant authorities in NT gave confidence that Stamp Duty would be acceptable**
- **Legal agreement required to waive the Condition Precedent**
- **Waiver Agreement signed by Compass and HNC**
- **Transaction documents lodged with DPIFM for registration**
- **Relationship between the parties remained excellent and HNC met all funding obligations for Oxide and Sulfide JVs**
- **Final step is reimbursement of \$11 M past exploration and claim has been lodged**



Company Evolution



Explorer to Producer

- **Renewal of Board**
- **New organisation structure**
- **New Staff**
 - **Corporate team**
 - **Operations team**
 - **Exploration team**
 - **New Projects team**
- **Indigenous Relations**
- **New systems and procedures**
- **New culture**