



Compass Resources NL
ABN 51 010 536 820

Level 5, 384 Eastern Valley Way
Roseville NSW 2069

Tel: +61 (0)2 9417 3588
Fax: +61 (0)2 9417 8750

www.compassnl.com.au

7 July 2008

JOINT VENTURES FULLY OPERATIONAL BETWEEN COMPASS RESOURCES NL AND HUNAN NONFERROUS METALS CORPORATION

The final process in the activation of the Joint Venture Agreements between Compass Resources NL (CMR) and Hunan Non Ferrous Metals Corporation (HNC) has been completed and the Joint Venture Agreements are now fully operational.

Mr. Richard Swann commented "It is very gratifying to finally have the formalities of this very close working relationship with HNC completed."

On 26 April 2007 all Joint Venture Agreements and associated documents were signed with HNC. Under the terms of the agreements satisfaction of a stamp duty assessment with the Northern Territory Government was required for final activation of the agreements or alternatively this condition expired on 31 March 2008. As no assessment has been received the parties agreed to it being waived. An extension to 21 April was agreed by HNC and CMR to facilitate the legal firms' preparation of the necessary waiver agreement. Upon execution of the waiver agreement the Joint Venture Agreements were lodged with the Northern Territory Department of Mines for the registration of HNC rights. This has now been completed and the Joint Ventures activated.

Under the terms of the Oxide Joint Venture HNC has paid \$72 million of the Capital Cost and 50% of the production cost in return for 50% of the production.

Under the terms of the Sulfide Joint Venture HNC is funding 100% of the feasibility study and if the project then proceeds to development 100% of the Capital Cost and 50% of the production cost in return for 50% of production.

In addition HNC has reimbursed \$11 million of past exploration and will fund 70% of base metals exploration programs for 5 years thereafter reducing to a 50% contribution for its 50% entitlements to non uranium resource potential in the exploration areas.



The Territory Revenue Office (TRO) has reconsidered its position on the payment of stamp duty and has refunded the approximately \$2 million of stamp duty paid last year (\$1 million by CMR and \$1 Million by HNC). We have 60 days from the registration of the HNC interest in the CMR tenements to complete an independent valuation and pay self assessed stamp duty based on this valuation. The TRO may then accept our valuation or may undertake its own independent valuation from which an assessment can be determined. Final resolution requires agreement by all parties.

For further information contact:

Neil Guest (Company Secretary)

Telephone: + 61 (02) 9417 3588

Facsimile: + 61 (02) 9417 8750