



ASX Release

Compass Resources Limited
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

11 August, 2008

COMPANY UPDATE

Browns Oxide Update

Commissioning of the Oxide process plant is progressing well with the solutions heating boiler being successfully fired up and water now circulating through all areas of the plant allowing instrument and equipment testing. For avoidance of doubt it should be noted that remedial action has successfully been completed on the solvent extraction tanks.

The current schedule is for cobalt / nickel precipitate first production in early September and copper metal first production later in September. A saleable quantity of both products is still expected by late October 2008.

Sales Contracts

Sales contract terms for the precipitate and metal products have been finalised and documentation is being completed for execution. These contracts will be for an initial period covering the life of the Browns pit after which they will be reviewed.

Coffee House Loan

The company has re-negotiated the terms of the US\$24 million loan from Coffee House Group Limited removing the provision of a fixed and floating charge over the assets of the company. Instead it has been agreed, subject to shareholder approval, that the loan may be convertible to fully paid ordinary shares, at the option of Coffee House and at a price per share equal to that applicable to the then most recent arm's length issue of equivalent securities. Coffee House Limited is an investment company fully owned by Gordon Toll, non-executive chairman of Compass, and his wife.

Cornell Convertible Loan

In response to the current share price we have re-negotiated the repayment terms of the Cornell Convertible Loan facility increasing the number of repayments to 16 from 15 and deferring final repayment to November 2009 instead of September 2009. A half repayment will be made in August and October 2008.



Raptor Spin-Out

Due to the recent share market volatility the Board has decided not to proceed with the spin out of Raptor Minerals Limited (NSW and Peru Exploration assets) at this time.

Company Name

We have received confirmation from the Australian Securities and Investment Commission (ASIC) that registration of our application to have the name of the company changed from Compass Resources NL to Compass Resources Limited has been granted.

Sulfide Resources

The updated resource estimates for Browns and Browns East Sulfide mineralisation resulted from extensive infill drilling aimed at improving the status of the resource from mostly inferred to greater proportions in the measured and indicated categories. This was necessary to bring the resources to the confidence level needed for the Sulfide Definitive Feasibility Study (DFS). Mine scheduling in the DFS will be such that the higher-grade resources at Browns will most probably be mined first.

The total resource in Browns increased, while the total resource in Browns East, which was previously wholly in the inferred category, decreased. The DFS drilling completed in Browns East to date has allowed a significantly better estimate to be made with better understanding of thickness of mineralization. Significant faulting at the eastern end could be a limit on total Browns East resources but more drilling is required to determine actual resources. The company is also yet to make a resource estimate for the uranium that has been encountered in the continuing Browns East drilling

Browns and Browns East both remain open at depth.

The potential for further sulfide and Uranium mineralisation on the company's tenements remains high with less than 50% of the Whites Formation/Coomalie Dolomite Contact within the tenements having been tested. As the requirements for resource definition drilling for the DFS are satisfied, more exploration effort will be transferred to regional exploration work and testing of the Contact. Sulfide resources are present at Area 55, and high grade sulfide mineralisation has been previously intercepted at Mt Fitch South. These occurrences, together with the eastern end of Browns East, will be among those to be tested further.

For further information contact:

Neil Guest (Company Secretary)

Telephone: + 61 2 9417 3588

Facsimile: + 61 2 9417 8750