

Tuesday, 11 March 2008

PROGRESS REPORTS

OXIDE AND SULFIDE BASE METALS PROJECTS

Attached are progress reports on both the Oxide and Sulfide Base Metals Projects presented to the Board recently.

It is intended that similar reports will be posted on a monthly basis.

Under the terms of the Sulfide Joint Venture, HNC is committed to pay for 100% of the definitive feasibility study and if the project then proceeds to development, HNC is committed to pay for 100% of the capital costs for the development of a project producing and processing 4 Mt/y of ore. Both operating cost and product will be shared by HNC and Compass 50/50. HNC will recover its capital from the proceeds of the sale of its 50% of production. There is no provision in the JV agreements for recovery of capital from total production proceeds.

The projected production profile of the Sulfide Project will be approximately:

Lead	155,000 tpy	@95% recovery	[Current price US\$1.39/lb]
Copper	37,000 tpy	@93% recovery	[Current price US\$3.86/lb]
Cobalt	6,500 tpy	@91% recovery	[Current price +US\$50.00/lb]
Nickel	4,500 tpy	@90% recovery	[Current price US\$14.65/lb]

For further information contact:

Richard C. Swann (Managing Director)

Neil Guest (Company Secretary)

Telephone: + 61 2 9417 3588

Facsimilie: + 61 2 9417 8750

