



## **Media Release**

**23 November 2006**

### **“Major milestone achieved”**

The Chairman of Compass Resources NL, Gordon Toll, is pleased to announce that the Foreign Investment Review Board has advised that it has no objection to the formation of the Oxide, Sulphide and Exploration joint ventures with Hunan Nonferrous Metals Corp (“HNC”).

As previously announced, Compass and HNC signed the Cooperation Contract on 28 September 2006 in Changsha, Hunan Province. This followed months of intense negotiating since the signing of the initial Letter of Intent on 6 May 2006 in Hong Kong, and HNC’s \$30 million equity investment in CMR made on 1 August 2006.

Mr. Toll commented that the “Negotiations were conducted in a frank and open manner and the speed that both parties were able to agree on the major commercial terms demonstrates a sincere desire from both parties to advance these projects to an operational status”.

The Cooperation Contract represented agreement on all of the major commercial terms of the joint ventures and were subject to several conditions precedent. Compass shareholders overwhelmingly approved the formation of the joint ventures in a general meeting on 30 October 2006 and the FIRB announcement removes a further condition precedent.

Final joint venture documentation is well advanced and HNC advise that the transaction is still subject to Chinese Government approval.

#### **About Compass**

The Company has a 100% interest in its Northern Territory Copper-Cobalt-Nickel deposit, with mining of the Oxide Project scheduled to commence in 2007. Projected production (with a mine life of 10 years) is 1.3 million tons per year (tpy), to produce 10,000tpy (22 million pounds) of Cu cathode and 2.2 million pounds (1,000tpy) of Co and 1.5 Mlbs (700tpy) of Ni as cobalt and nickel chemicals.

In addition to the Oxide deposit, Compass plans to mine the associated Lead-Copper-Cobalt-Nickel sulphide deposit, which has a projected mine life of 20+ years.

Compass is also a successful uranium exploration company with ore grade uranium intersections in drilling. This is underpinned by the fact that Compass holds some of the most prospective uranium exploration ground in Australia. The Rum Jungle mineral field was the site of the first uranium mines in Australia, mines which operated from the 1950s to the 1970s.

Compass also has programs for gold and base metals exploration in New South Wales, Australia, and Peru.

#### About HNC

HNC is headquartered in Changsha City, Hunan, Peoples Republic of China (PRC). It is the largest integrated producer of nonferrous metals, excluding aluminium, in the PRC as measured by production volume. Major products are tungsten, zinc, antimony and lead, compounds, alloys and other products derived from these metals. HNC controls the largest tungsten and bismuth reserves in the world and also substantial reserves of antimony.

HNC has a vertically integrated and centralized production chain that includes upstream exploration, mining and ore processing as well as midstream smelting and downstream refining and value adding. They are the largest producer of refined and value-added cemented carbides, zinc and antimony in the PRC, as measured by production volume, as well as a major producer of products containing lead, silver, indium, tantalum and niobium.

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