



**Stock Exchange announcement  
and Media Release**

**27 April 2007**

**“Joint Venture documentation signed”**

The Chairman of Compass Resources NL (“CMR”), Gordon Toll, is pleased to announce that all the joint venture agreements and associated documents relating to the development of the company’s base metal tenements in the Northern Territory were signed with Hunan Nonferrous Metals Corp (“HNC”) on 26 April 2007.

The signing ceremony was held at Parliament House, Darwin, and was attended by senior politicians and government officials from China and Australia, directors and senior management from both companies, representatives from traditional owners, local business and community groups.

Formal commencement of the joint ventures is now only subject to stamp duty assessment and until the assessment is completed by the Northern Territory Treasury HNC have agreed to provide a \$72M funding facility to allow CMR to complete construction of the oxide plant. HNC will also contribute 50% of the operating expenditure in return for 50% of the production in the unlikely event that the stamp duty assessment has not been completed before the forecast commissioning of the plant in September/October.

Mr. Toll commented, “To complete a highly complex transaction in less than 12 months from signing of the Letter of Intent is a truly remarkable achievement and management from both companies should be congratulated on their persistence and hard work.

“I believe that it is inevitable that Australia and China will forge closer and closer links in the years to come and I hope that in some small way that our deal with HNC will help to cement the links between our two great countries.

“Upon formal commencement of the joint ventures, the parties will form operating committees to:

- ✓ Finalise construction of the oxide plant and commence mining and processing operations;
- ✓ Determine the scope of the sulphide feasibility study and appoint an internationally recognised primary contractor;
- ✓ Expand base metals exploration with a view to significantly increasing the sulphide resources.

"This marks the start of the next major phase in the evolution of Compass, and myself and my fellow directors are extremely honoured to have been instrumental in guiding and continuing to guide the company during its transition from a junior exploration to a mid-tier mining company".

### **About Compass**

The Company has a 100% interest in the Browns and associated Copper-Cobalt-Nickel deposits, with mining of the Oxide Project scheduled to commence in 2007. Projected production (with a mine life of 10 years) is 1.3 million tonnes 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 a JORC defined resource of 14.5 million lbs. 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, and compounds, alloys and other products derived from these metals. In particular, tungsten is considered an important resource because of its strategic value. 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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