

CMR.AU

Compass Resources NL

A\$ 1.36

14 December 2005
Uranium, Base Metals and Gold
Australia (NT, NSW)
Early Development/Exploration
Exchanges: ASX:CMR

CMR expects a development decision for its Browns Oxide Copper Project (10ktpa) 4Q05 with production anticipated 4Q06. The company also plans an extensive drill campaign in the historic Rum Jungle uranium fields in 2006, JORC resource expected 4Q06.

Capital Profile

Share price (A\$)	1.36
52 week range (A\$/share)	0.30 to 1.79
Number of shares (m)	76
Options and warrants (m)	2
Convertible notes (m)	0
Fully diluted (m)	78
Market capitalisation (undiluted) (A\$m)	103.0
Debt (A\$m) - Dec 05	0.0
Enterprise value (A\$m)	103.0
Major shareholders:	
Wythenshawe Pty Ltd (9.0%), Cairnglen Investments (8.1%), M Humphreys (6.6%)	
Avg monthly volume (m)	3
Cash (A\$m) - Dec 05	14.2
Price/Cash (x)	7.2
Price/Book (x)	3.2
Company options:	No

Production and Financial Forecasts

YEAR END: Dec	Sep-05	Dec-05	2004a	2005F	2006F
Exploration and evaluation (A\$m)	1.12	1.00	0.97	2.12	3.00
Corporate (A\$m)	0.22	0.10	0.44	0.40	0.40
Exploration/(Expl.+ Corporate) (%)	84	91	69	84	88
Funding duration at current burn (years)			3.5	5.7	3.5
Shares on issue (pr end) (m shares)	76	76	66	76	76
Drilling - RAB (m)	0	0	2,000	1,000	3,000
Drilling - Other/Diamond (m)*	0	1,000	0	1,000	20,000
Land holding ('000 ha)	120	120	110	120	120
Tenement costs (\$k per year)	-	-	-	-	-
Top 20 shareholders (% ipo)	-	-	35	35	na
Funding from JV Partners	0.0	0.0	3.0	2.0	1.0
Cash (A\$m)	15.0	14.2	4.9	14.2	12.0
Cash backing (Ac/share)	19.8	18.8	7.5	18.8	15.8
Net asset backing (Ac/share)	43.9	42.9	34.3	42.9	40.0

*Uranium only

Investment Points

CMR has a dominant land holding in the Batchelor region (NT) - a major base metal and uranium province (Rum Jungle).

Production at the Browns base metal project (Batchelor) is expected from 4Q06, producing 10ktpa SXEW copper (Co, Ni by-product) for 6 years, with upside to 10 years.

CMR has drill ready uranium targets in the Rum Jungle region incorporating the former Dyson, White and Rum Jungle uranium mines.

There is high potential to add in excess of 10mlbs U₃O₈ to resources by year end 2006 - by extension to former mines and current prospects.

6 week drill program completed at Mt Fitch - uranium mineralisation intersected shows potential for immediate resource definition.

Company Comment

Overview: Compass Resources is an ASX listed junior Australian uranium, copper and gold company. Its focus is developing the Browns Oxide Copper Project (Cu,Co,Ni) and unlocking the uranium potential of the adjacent historic Rum Jungle prospects.

Browns copper oxide: (80km from Darwin). Project construction (SX/EW agitated leach) is expected to commence 2Q06, subject to completion of the public environmental report, expected 1Q06, and commissioning is expected 4Q06. Expected annual production is 10ktpa (22mlbpa) Cu, 1ktpa Co and 0.7ktpa Ni, over a mine life of 5 years, and capex of A\$40m. The anticipated development cost for the second phase sulphide project is A\$400m, for which CMR may seek a JV partner. The sulphide extension is currently undergoing assessment for early development.

Uranium: Rum Jungle hosts unconformity style uranium mineralisation. The area had 3 producing uranium mines in the 1960's, with production at **Rum Jungle Creek South** exceeding 6mlbs U₃O₈, till production stopped due to the low uranium price. If required, the proposed oxide plant at Browns could likely be easily modified to process uranium ore. In 2005, initial uranium exploration elsewhere in the old Rum Jungle uranium field was successful, identifying 8 prospects. At **Mt Fitch**, several intersections exceeded 0.05% U₃O₈ confirming economic potential. The best intercept was DDH 05MF02 from near surface of 0.147% U₃O₈ over 12m.

Investment Comment: A pipeline of potentially positive news is expected from CMR through 2006. A development decision at the Browns Oxide copper project is imminent. Project DCF is supported by the escalating copper price (over US\$2.00/lb), low capital cost, and short development horizon, and is potentially positioned to provide strong early cash flow. CMR also has high potential to fast track uranium exploration in 2006 expending A\$2m in the historic Rum Jungle tenements and region. JORC resources are anticipated by 4Q06, supported by drilling along strike from former open pit mines.

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

Uranium	Classification/	Project	Ore	U ₃ O ₈	Cut Off	U ₃ O ₈	U ₃ O ₈	U ₃ O ₈	Eqty
U ₃ O ₈	Geology	Equity	Mt	%	ppm	Kt	Mlb	Mlb	
Reserves			0.0	0.00		0.0	0.0	0.0	
Resources			0.0	0.00		0.0	0.0	0.0	
Historical (est. non JORC compliant)			0.0	0.00		0.0	0.0	0.0	
Base Metals			Ore	Cu	Co	Ni	Cu	Co	Ni
			Mt	%	%	%	Kt	Kt	Kt
Resources									
Browns Oxide	Total Meas,Ind,Inf/	100%	2.8	1.06	0.13	0.11	30	4	3
Browns Sulphide	Total Meas,Ind,Inf/	100%	36.7	0.46	0.11	-	169	40	-
<i>Sub Total</i>	Total Meas,Ind,Inf/		39.5	0.50	0.11	-	198	43	3
Batchelor Total*	Total Meas,Ind,Inf/	100%	84.2	0.78	0.12	0.11	660	100	96

* Includes: Oxide deposits at Browns, Area 55, and Mt. Fitch; Sulphide deposits at Browns, Browns East, and Area 55. Browns contains 2.27mt of lead, in addition to the commodities indicated.



Contacts

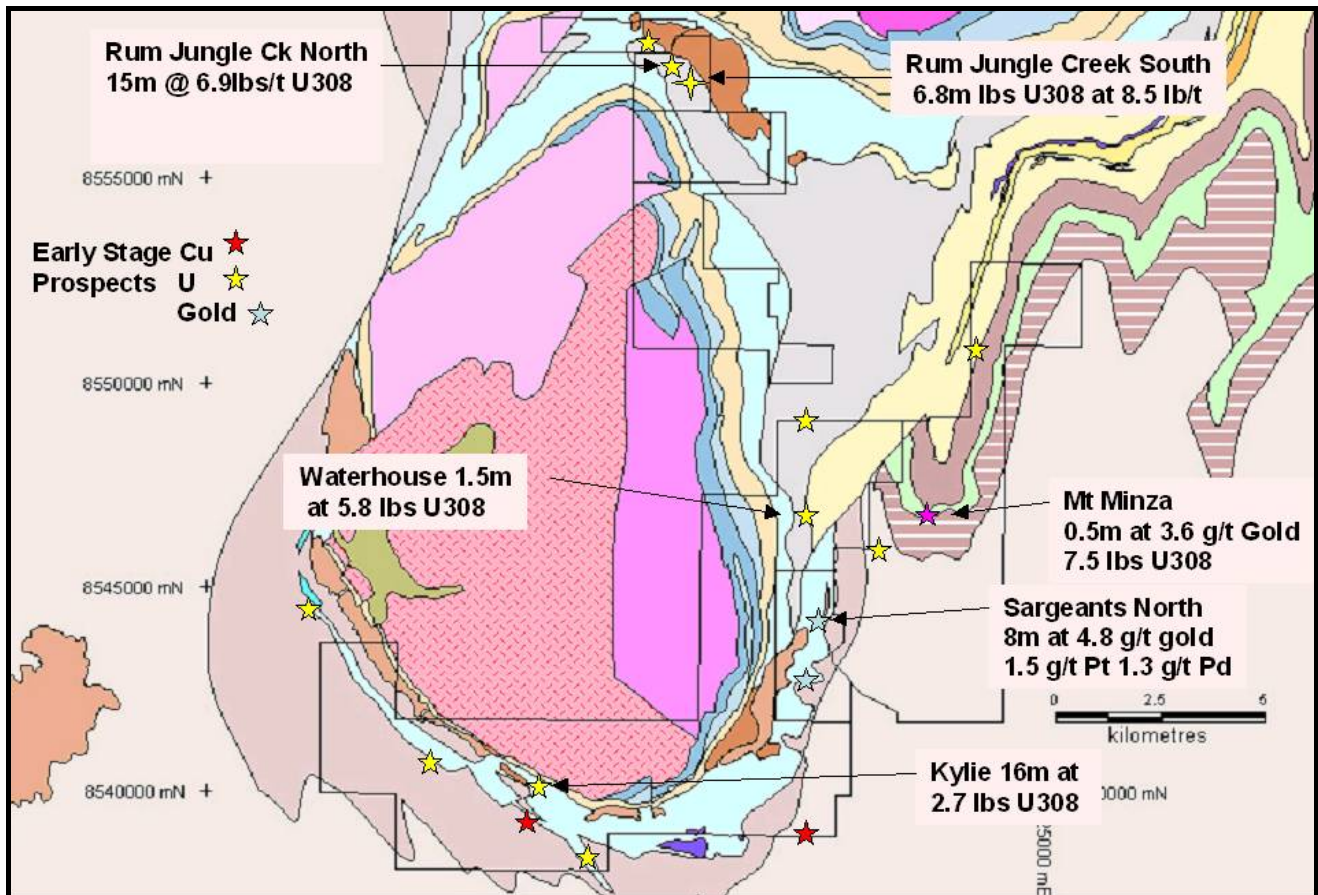
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Key Projects

Project	Ownership/	Metal	JV	Plant	Process	Project	Location
	Option		Partner	Cap.	Route	Status	
Browns Oxide Copper	90%	Cu-Co-Ni	Guardian Res.	1mtpa	ag. leach	Early Devel.	Aus (NT)
Rum Jungle Ck South	90%	Uranium	Guardian Res.	na	conventional	Adv. Expl.	Aus (NT)
Mt Fitch	90%	Uranium	Guardian Res.	na	conventional	Adv. Expl.	Aus (NT)
Rum Jungle East	90%	Uranium	Guardian Res.	na	conventional	Early Expl.	Aus (NT)
Tomingley	100%	Cu-Au	none	na	na	Early Expl.	Aus(NSW)
Ironbark	100%	Cu-Au	none	na	na	Early Expl.	Aus(NSW)
Wyoming	Royalty	Gold	Alkane	na	CIL	Early Devel.	Aus(NSW)

Geology Map: South Batchelor (NT) tenements showing CMR's base metals and uranium projects, including Rum Jungle Creek South and multiple uranium drill intercepts



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