



REPORT FOR THE QUARTER ENDING 31 MARCH 2003

Headlines

- Alkane Exploration Ltd. reported further progress and high grade gold intercepts at the Wyoming Prospect, NSW. Compass retains a significant royalty interest in this property.
- Data compilation over Compass' Ironbark EL(A) near Forbes identifies at least two attractive gold drill targets.
- Phelps Dodge Australasia Inc. farms into the Embayment Area surrounding and beneath the Browns Project. Phelps Dodge plan to target high grade copper mineralisation beneath the Browns, Browns East deposits (which are excluded from the joint venture).
- Manele Bay Ventures Inc. obtains approval for the Compass Minerals Limited Worldbeater gold project joint venture in California, from TSX Venture Exchange. Drilling is expected to commence in late May 2003.

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General

Consistent with the Company's announcement that it planned to refocus its priorities on exploration, with increased emphasis on gold, much of the work completed during the quarter related to data compilation and evaluation of New South Wales gold areas, the Northern Territory exploration tenements, and the Mt. Fitch South Prospect. This work resulted in the identification of five very attractive new gold targets in New South Wales, and enhanced the potential of the Mt. Fitch South copper-lead discovery. In addition a further significant joint venture was concluded.

As a result of the renewed emphasis on exploration, including joint ventures, 2003 will see a major lift in exploration expenditure on projects in which Compass holds an interest. A substantial proportion of these expenditures, estimated at \$3.5 million will be provided by coventurers, with approximately 85% of that amount directed to gold exploration.

Gold Programme

The focus of Compass' gold exploration in New South Wales continues to be the Lachlan Fold Belt. The Company's tenement position was further strengthened in this region through applications for four new exploration licences in the Forbes-Parkes-Tomingley gold belt.

Recent exploration success, and the development of the NorthParkes gold copper mine, underscores the potential of this region for significantly increased gold production. One of the new tenement applications has already been offered to the Company, whilst the others, being first in time applications, are expected to be offered during this quarter.

Trewilga Project NSW (Alkane 100% operator - Compass royalty interest)

Alkane Exploration Ltd. (Alkane) continues to announce significant gold intercepts from the Wyoming Prospect within EL 5675 joint ventured from Compass. They also advised their intention to mount a major drill programme comprising 15,000 metres of RC and core drilling, targeting the known gold mineralisation at Wyoming One and Wyoming Three. Drilling commenced in February 2003 to test these deposits along strike and down dip, reportedly to provide a new resource estimate to be completed by mid 2003 and a conceptual development scenario by end of the third quarter.

Drilling to date has further improved the understanding of the controls on the gold mineralisation in the area, and on further delineating the Wyoming One deposit in order to develop a minable reserve. As might be expected from a prospect that has reached an advanced stage of exploration, encouraging results continue from the latest drill programme including both wide zones of moderate grade gold within porphyry intrusives, and quartz rich zones with higher gold grades associated with the contact of the intrusives and along cross structures. Better grades notified to the market by Alkane in 2003 and not previously reported by Compass are given in Table 1.

At the Wyoming One prospect, deeper gold mineralisation is apparent from drill holes 408D (27 metres from 284 metres averaging 2.72 grams per tonne gold) and 411D (22 metres from 291 metres averaging 10.66 grams per tonne gold), supporting the interpretation that a potentially large system has been located which will persist at depth.

It is noteworthy that many of the drill holes reported at Wyoming Three ended in mineralisation; this resulted from not being able to penetrate the hard quartz rich zones by aircore drilling. These quartz rich areas often reflect the start of zones with improved gold grades and will be followed up by RC or diamond drilling scheduled to commence shortly.

Table 1 : Latest Drill Results from the Wyoming Prospects

Hole No	East (m)	North (m)	Az °	Int (m)	Grade g/t Au	Interval (m)		EOH (m)	Target Zone
WY 408 D	614350	6393150	270	27	2.72	284	311	544.3	Wyoming 1
including				5	8.68	305	310		Wyoming 1
and				3	1.75	388	391		Wyoming 1
and				101	0.65	404	505		Wyoming 1
including				11	1.38	431	442		Wyoming 1
including				8	1.70	451	459		Wyoming 1
including				7	1.30	469	476		Wyoming 1
WY 409 D	614205	6393375	270	2	2.80	148	150	276	Wyoming 1
and				6	1.67	177	183		Wyoming 1
including				1	5.83	181	182		Wyoming 1
and				2	1.59	204	206		Wyoming 1
and				2	1.87	220	222		Wyoming 1
WY 411 D	614210	6393370	267	6	4.56	158	164	370	Wyoming 1
and				8	2.79	197	205		Wyoming 1
including				3	5.67	202	205		Wyoming 1
and				22	10.66	291	313	370	Wyoming 1
including				2	107.50	300	302		Wyoming 1
WY 480	614150	6393300	270	9	3.52	33	42	219	Wyoming 1
and				33	1.17	57	90		Wyoming 1
WY 481	614100	6393285	360	156	1.71	63	219	237	Wyoming 1
including				15	7.02	90	105		Wyoming 1
and	614075	6393265	360	39	3.47	153	192	231	Wyoming 1
including				6	15.60	156	162		Wyoming 1
WY 483	614075	6393269	360	42	1.00	156	198	279	Wyoming 1
and				18	7.96	231	249		Wyoming 1
including				6	21.30	237	243		Wyoming 1
WY 487	614275	6393150	270	15	2.29	114	129	153	Wyoming 1
including				9	3.31	120	129		Wyoming 1
WY 494	614205	6393425	270	42	1.54	174	216	225	Wyoming 1
including				9	3.24	195	204		Wyoming 1
WY 495	614100	6393400	270	33	1.80	54	87	117	Wyoming 1
WY 469	614180	6393376	270	81	4.26	117	198	255	Wyoming 1
including				15	16.44	138	153		Wyoming 1
WY 470	614225	6393375	270	6	2.34	222	228	261	Wyoming 1
WY 471	614135	6393325	270	54	3.80	45	99	213	Wyoming 1
including				6	12.26	93	99		Wyoming 1
WY 405	614225	6394180	180	2	1.12	43	45	126	Wyoming 3
and				2	1.67	49	51		Wyoming 3
and				4	1.08	64	68		Wyoming 3
and				8	13.18	113	121		Wyoming 3
including				3	7.40	114	117		Wyoming 3
including				1	79.80	120	121		Wyoming 3
WY 421 #	614225	6394160	180	12	2.05	33	45	45	Wyoming 3
including				3	3.58	42	45		Wyoming 3
WY 431	614150	6394220	180	30	0.72	21	51	67	Wyoming 3
including				9	1.72	42	51		Wyoming 3
and				3	3.99	48	51		Wyoming 3
WY 434	614125	6394220	180	15	2.67	42	57	77	Wyoming 3
WY 447 #	614075	6394316	180	5	1.02	60	65	65	Wyoming 3

all holes drilled at a nominal inclination of -60°

drill hole ended in mineralisation

Compass has been encouraged by the nature of the mineralisation encountered to date and its association with Ordovician intrusives, which confirms a potentially large gold system has been located.

Alkane advised additional drilling will follow on the Wyoming Three Prospect, as well as applying the improved knowledge of gold mineralisation controls to other prospects in the area.

Compass holds a significant royalty interest in Trewilga comprising:

0.75 cents per dry tonne of ore treated for the first 500,000 tonnes, thence 3% of gold and other minerals recovered until 150,000 ounces of gold are produced, thence 5% of gold and other minerals recovered.

Further details are provided in the Company's recently released Annual Report.

Tomingley West, Idaho, Oregon Projects (Compass 100%)

Applying the Company's knowledge gained in the Parkes-Tomingley area over a protracted period of time, Compass staff completed a compilation of existing exploration data from this region. This resulted in the application for three exploration licences covering Ordovician andesitic sequences, commencing several kilometres west of Wyoming and approximately 10 kilometres north of the NorthParkes Mine. These three contiguous areas cover favourable locations for additional gold ± copper discoveries, having similar host rock sequences and structural settings to existing deposits. It is apparent from the Wyoming discovery that systematic well targeted aircore drilling is required to substantiate the geological interpretation and delineate geochemical anomalies in areas with transported cover. Within the three applications transported cover is present, and is much thinner than previously thought.

As mentioned last quarter, two prospects have been identified for follow up from previous explorers' drill results, including 6 metres at 0.26 grams per tonne gold and 2 metres at 1.31 grams per tonne gold at the North Bogan prospect, and 2 metres at 0.31 grams per tonne gold at the South Bogan prospect. This mineralisation was located in a limited widely spaced reconnaissance drill programme and is hosted by altered Ordovician volcanics.

Ironbark Exploration License Application (Compass 100%)

The regional compilation programme referred to above was extended from the Tomingley-Parkes area to south of Forbes, and resulted in the application for the Ironbark exploration licence. Exploration over this area has been very limited over the past 20 years. Acquisition and detailed compilation of that data has been completed and confirms this to be a very under explored area within a very prospective region. Several strong soil arsenic anomalies were defined by previous explorers in the early 1980's and remain largely untested. The known gold mineralisation, as at Wyoming, is associated with arsenopyrite and quartz veins, often in proximity to intrusive contacts. Consequently an arsenic in soil programme needs to be extended, and all existing arsenic anomalies at Ironbark need to be full evaluated.

The two priority targets that have been identified from previous work and which will require detailed evaluation are:

1. The Styles West prospect, where 10 shallow percussion drill holes were completed in 1981. All holes intersected gold-arsenic mineralisation associated with intrusives over a strike length of 300 metres. These results have not been followed up, even though the best intersection was 6 metres of 5.80 grams per tonne gold.

2. The Croakers prospect, where a wide interval of quartz veining returned an average of 0.59 grams per tonne gold over 26.37 metres from 62.50 metres. This included individual metre intervals of 1.2, 1.9 and 2.3 grams per tonne gold. The final metre of this hole, from 99.5 to 100.5 metres assayed 1.9 grams per tonne gold, showing that this wide zone of mineralisation had not been fully penetrated. The intersections were below an open ended soil arsenic anomaly, approximately 30 metres wide and averaging 200 ppm arsenic. This anomaly, and limited old workings, support the current interpretation that this prospect has a strike length in excess of 400 metres, and represents a potentially large zone of mineralisation.

Approximately 250 metres to the northeast of this intersection is an untested soil arsenic anomaly, which is over 60 metres wide, with peak values over 300 ppm arsenic. The strike extent of this anomaly is not known, however it is associated with a zone of quartz rich float, parallel to the old workings at Croakers. This prospect will require additional soil sampling and drill evaluation as it appears to be much wider and potentially larger than the Croakers Prospect.

Both these prospects, and others to be more fully defined, represent an excellent chance of producing gold mineralisation associated with intrusive rocks.

Alectown East JV EL 5563, EL 4752 (Newcrest earning 75%)

Joint venture operator, Newcrest Mining Limited, reported that five R/C percussion drill holes were completed during January-February 2003. These holes passed through transported overburden, then through a deep saprolite (highly weathered) zone before encountering mostly diorite composition intrusives. The intrusives contain weak quartz-carbonate-sulphide veining and associated alteration, consistent with a "porphyry" gold-copper style of mineralisation, although the diorites may not necessarily represent the actual mineralising intrusive.

Better results included:

Hole No	Interval (m)	From (m)	Averaging	
			g/t Au	% Cu
RCAT 054	12	10	0.23	0.17
and	4	124	1.87	0.10
and	2	144	0.28	0.24
and	2	160	0.23	0.09
and	55	212*	0.12	0.14
RCAT 055	2	78	0.56	0.03
and	16	116	0.01	0.14
and	2	146	0.40	0.02
RCAT 056	50	170	0.09	0.29
including	14	172	0.13	0.44

* End of hole at 267 metres; still in mineralisation; the last 2 metres assayed 0.18% copper, 0.11 grams per tonne gold.

Further drilling will depend on the interpretation of results obtained to date.

Mt. Stromolo (Compass Resources 100%)

Compass is awaiting the necessary authorisations to undertake percussion drilling of Induced Polarisation geophysical anomalies associated with gold and arsenic bearing andesites at this prospect. Approval is expected in the current quarter.

Base Metal Programme - Northern Territory

Browns Embayment Project (Compass 75%, Guardian 25%, Phelps Dodge earning up to 70%)

A joint venture agreement was finalised in February with Phelps Dodge Australasia Inc (Phelps Dodge) a subsidiary of Phelps Dodge Corporation, the world's second largest producer of copper with operations and investments in mines and manufacturing facilities in 27 countries, and with 13,500 employees worldwide. Phelps Dodge were attracted by the potential for large high grade copper sulphide deposits, beneath and in the vicinity of the Browns lead-copper-cobalt deposit.

The joint venture area covers a major portion of the highly mineralised Embayment Structural Area that host the Browns, Browns East and Area 55 deposits. Whereas this joint venture excludes the currently defined polymetallic resources at Browns to a vertical depth of 350 metres, at Browns East to a depth of 300 metres and the presently defined Area 55 deposit, it does include the depth potential of these deposits as well as their along strike potential. All three deposits remain open at depth.

Limited deeper drilling at Browns-Browns East deposit recorded significant intercepts with improved copper grades beneath the main lead cobalt dominant mineralisation. For example, holes 01BD03, drilled at Browns in 2001 encountered 3 metres of 4.58% copper, plus 11 metres of 2.12% copper, 0.20% cobalt, followed by 11 metres of 5.53% lead commencing at 363 metres downhole. Hole 920, one of the deepest holes drilled at Browns East, approximately 1.2 kilometres east of 01BD03, intersected 22 metres averaging 5.60% copper, from 281 metres downhole. The potential exists at depth for copper rich sulphide ores to be encountered at Browns analogous to the Mt. Isa model where the lead occurs near surface and slightly higher in the stratigraphy, with the main copper deposits stratigraphically lower and at depth.

At Area 55, shallower drill intercepts such as 24 metres of 4.12% copper, 0.38% cobalt and 0.41% nickel in hole 55-048 from a depth of 66 metres, demonstrate the presence of high grade copper in a strong hydrothermally altered structure. The strongly altered footwall at the prospect indicates potential for a much larger zone of mineralisation than is currently defined. This potential is enhanced by the presence of an untested geophysical anomaly along strike.

Phelps Dodge may earn up to 70% in stages in the defined joint venture area by spending up to \$10 million over a 9 year period. The initial programme will include geophysical surveys and deep drilling with an estimated cost of \$400,000. Thereafter Phelps Dodge may withdraw from the joint venture, without retained equity before \$5 million has been expended.

After expenditure of \$5 million, Phelps Dodge will have earned a 51% interest in the Project (Compass 36.75%, Guardian 12.25%) and may at its sole election earn a further 19% by spending an additional \$5 million (Compass 22.5%, Guardian 7.5%). After the period of Phelps Dodge sole expenditure Compass and Guardian may elect to contribute, dilute or be carried to a decision to mine at a reduced equity.

A gravity survey has been completed in the Embayment area with generally encouraging results, however additional surveying is required to help refine deep drill targets. It is anticipated Phelps Dodge will commence deep drilling in the third quarter of 2003.

Browns Project (Compass 90%: Guardian Resources Pty Ltd 10%)

No significant progress was made during the quarter on progressing a restart of the Browns definitive feasibility study which remains suspended. The continuation of weak base metal and cobalt prices, and uncertainties for a resumption of sustained growth in a number of important world economies, provides a difficult environment to obtain the support necessary for an early restart of this programme.

Additionally the exploration programme to be undertaken by Phelps Dodge could have an important bearing on development of the existing resources which are excluded from that joint venture.

In this situation Compass is continuing discussions with The Doe Run Company, recognising the efforts that both companies have made to progress an early Browns development. These efforts have resulted in the identification of a robust, effective and environmentally advanced process to treat the Browns polymetallic ores. An important element of which has been the treatment of Browns sulphide concentrate at The Doe Run Engitec prototype plant in Southeast Missouri.

Other Exploration Projects Northern Territory

With the end of the wet season near, Compass has undertaken compilation of exploration data on other base metal projects outside Browns and the Embayment area. This work has shown that a broader section of the stratigraphy than has been widely considered in the past is prospective for base metals.

In particular work at the Mt. Fitch South copper lead discovery showed that this mineralisation occurs higher in the stratigraphy than Browns, Browns East and Area 55.

Intercepts recorded in partially leached mineralisation in hole 01MF02 at Mt. Fitch South are set out below:

21-25 metres 4 metres at 0.09% lead, 1.04% copper, 0.10% cobalt

42-52 metres 10 metres at 7.0% lead, 0.3% copper, 0.05% cobalt

65-72 metres* 7 metres at 8.0% lead, 0.3% copper, 0.06% cobalt

(*hole ended in mineralisation, the last metre assayed 0.23% copper, 4.82% lead)

This mineralisation occurs stratigraphically above a strongly altered tourmaline and rutile rich section of the Whites Formation, which has similarities to the footwall at the large Sullivan stratiform base metal (Pb-Zn) deposit in British Columbia, Canada.

Following compilation of exploration data, it is now apparent that additional base metal targets exist higher in the Whites formation as at the Mt. Fitch South location. This increases the prospectivity of Compass' regional landholding. Work at Mt. Fitch South also shows that airborne and ground electromagnetic surveying may be a very effective exploration technique to screen Compass' Northern Territory landholdings for large base metal deposits. Compass is currently examining ways to fund such a programme possibly through an exploration joint venture.

USA Programme

Worldbeater Project, California (Compass Minerals Limited 100% - Manele Bay Ventures Inc. earning 60%)

Manele Bay Ventures Inc (Manele Bay) report that regulatory approval of the joint venture agreement with Compass Minerals has been received from the TSX Venture Exchange. A number of visits were made by Manele Bay and Compass Minerals' representatives to California to determine drill locations and to seek approval for the upcoming drill programme, from the US Bureau of Land Management and Inyo County. Drilling is expected to commence in late May and will include further definition drilling of high grade mineralisation within the existing resource, and evaluation of high grade intercepts not included in current resource.

Information in this report accurately reflects the information compiled/reviewed by Dr. M. K. Boots, a full time employee of the Company and a competent person as defined in ASX Listing Rules Appendix 5A, who consents to the inclusion in this Report of the information as presented.