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REPORT FOR THE QUARTER ENDING 31 MARCH, 2004

Headlines

- ? Negotiations are progressing with a number of parties aimed at recommencing development evaluation of the Browns deposit.
- ? Extensive drilling on the Company's central west NSW projects has identified a number of anomalous gold zones requiring follow up drilling.
- ? Alkane Exploration Ltd., (Alkane) announced anticipated completion of the Wyoming full feasibility study by year end 2004. Compass holds a significant royalty over EL 5675.
- ? Geophysical targets consistent with Cobar or Elura style base metal deposits have been identified in the Company's new joint venture, ELs 6224 and 6225.
- ? A deep drill hole completed by Phelps Dodge Australasia Inc., failed to intersect significant mineralisation at depth beneath the Browns deposit. Compass believes that a fault may have displaced the ore horizon at this location.
- ? MBA Gold Corp, our coventurer at World Beater has appointed a new director and financial advisers as it formulates plans for the project for the current year.

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General

At the Company's AGM on 8 April, shareholders were provided with a comprehensive review of activities highlighting increased opportunities for the Browns polymetallic project in the light of strengthening commodity prices; advances in NSW gold projects; new base metal projects in NSW; and encouraging progress on the Compass US subsidiary's Californian World Beater gold project.

Tomingley West/Idaho Projects (Compass 100%)

The first phase aircore drilling programme was completed on the Tomingley West and Idaho tenements which are located approximately 25 kilometres north of the NorthParkes mine and 10 kilometres west of the new Tomingley gold discovery of Alkane. This technique is a lower cost first pass exploration drill approach designed to penetrate beneath soil and transported cover, identifying geochemical anomalies for follow up. It has proved successful at Wyoming (Trewilga) and Alectown East. Drilling returned encouraging results at two prospects, Bogan East and Bulgandramine, which will require follow up reverse circulation drilling. At the Bogan East Prospect, the more significant gold-copper aircore intercepts were:

Bogan East Aircore Results

Hole	From (m)	To (m)	Interval (m)	Au g/t	Cu ppm
CBE11	12	14	2	0.24	85
and	22	30	8	0.55	215
including	28	30	2	1.60	182
CBE13	40	44	4	0.80	270
and	52	56	4	1.02	490
and	74	76 EOH	2	0.30	63
CBE14	24	32	8	0.67	375
and	10	12	2	0.21	92
CBE9	50	54	4	0.04	1210
CBE8	30	42	12	0.01	1210

These holes are within a zone up to 75 metres wide and 100 metres along strike (still open to the north and south) under shallow transported cover, with host rock types being identified in the field as shales, chloritic andesitic volcanics and possible intrusive equivalents. Hole CBE1 located 300 metres east of this anomaly intersected a 4 metre zone from 52 metres averaging 0.44 grams per tonne gold. The host rock was shale and this appears to represent a separate anomaly to be followed up.

At the Bulgandramine prospect, hole CBGM2 located 250 metres east of the old "shaft" intersected a 5 metre interval (20-25 metre) assaying 1.73 g/t Au, with minor anomalous gold (0.03 g/t Au) and copper (210 ppm Cu) in the interval 45 to 70 metres. This will be followed up together with the Bogan East anomalies in the second phase of R/C drilling.

Ironbark Project (Compass 100%)

The Ironbark Project is located 65 kilometres south of Forbes in Central West NSW.

A series of inclined aircore drill holes were completed in this tenement, targeting a 5 kilometre long zone with occasional outcropping areas with old gold workings. Zones of anomalous gold and arsenic geochemistry have now been defined over significant strike intervals which will require follow up R/C drilling.

At the Croakers Prospect, anomalous gold results from the aircore drilling were obtained up to 800 metres north of the old workings, and up to 1,600 metres south of those workings. This zone of 2,400 metres strike length produced the following results which need to be followed up.

Croakers Aircore Drill Results

Hole	From (m)	To (m)	Interval (m)	Au ppm	As ppm
CC1	18	22	4	0.23	304
and	66	74	8	0.16	262
CC2	22	26	4	0.46	513
CC4	55	58	3	0.24	576
CC8	55	59	4	0.33	468
CC13	16	38	22	0.40	704
including	34	38	4	1.37	1188
CC14	20	30	10	0.45	601
and	36	40	4	0.45	821
and	78	82	4	0.36	1075
CC16	75	83	8	0.16	174
and	89	91	2	0.44	134
CC17	80	85	5	0.43	216
CC20	5	12	7	0.24	240
and	20	40	20	0.19	237

The discovery of multiple anomalous zones in some holes and wide anomalous zones in others is interpreted as being most encouraging at this stage of evaluation.

At the West Styles (Ryries) Prospect, the best result was 8 metres from 14 metres averaging 0.27 grams per tonne gold and 304 ppm arsenic along strike from old workings.

At the Ironbark Prospect, a single hole returned 8 metres from surface averaging 0.21 grams per tonne gold and 430 ppm arsenic in an area without surface workings nearby. Additional evaluation is clearly warranted.

The R/C programme to test both Ironbark and the Company's Exploration Licences north of Parkes, is expected to be underway late this quarter.

Alectown East Project (Newcrest earning 75%)

Newcrest Mining Limited (Newcrest) reported additional assays from hole ACDAT060 (264 to 802.2 metres) from the Buryan Prospect. Results confirm the presence of a gold copper mineralised porphyry system. However continuity of better grade sections has not yet been established. A review of all data collected from this prospect is underway by Newcrest and is aimed at resolving the geometry of the mineralisation identified so far with a view to generating new drill targets.

New Intercepts from ACDAT060

From	To	Length (m)	Au g/t	Cu%
274	280	6	0.12	0.11
296	308	12	0.04	0.11
335	350	15	0.05	0.14
368	424	56	0.11	0.15
439	574	135	0.07	0.14

Trewilga Prospect (EL 5675) (Compass Royalty Interest)

Alkane announced that they anticipate completing the prefeasibility study for the Wyoming One and Three mine development by end June and the full feasibility study by year end 2004.

They also report commencing an aircore drill programme after the Christmas holiday break and a diamond drilling programme in early March. Two diamond core holes have been successfully completed at the Wyoming One prospect (within the resource envelope) targeting the high grade "376" structure. The results released to date include the following.

Wyoming One Prospect

Hole	Easting	Northing	Azimuth	From (m)	To (m)	Interval (m)	Grade g/t Au
WY789D	614076	6393449	180	58	129	71	2.60
including				100	109	9	12.45
and				142	150	8	1.26
and				166	178	12	1.74
and				192	202	10	1.64
WY79D	614102	6393541	180	194	208	14	2.08
and				265	277.5	12.5	7.88
and				306	307.6	1.6	8.06

Aircore drilling has intersected anomalous results at the Tomingley One prospect to the northeast of Wyoming, in the northern portion of EL 5675.

Tomingley One Drill Results

Hole	Easting	Northing	Azimuth	From (m)	To (m)	Interval (m)	Grade g/t Au
TO084	614641	6396599	90	36	39	3	1.27
TO092	614598	6396901	90	75	78	3	0.99
TO117	614640	6397602	90	111	114	3	1.33

Compass' royalty interest is attributable to the majority of these resources and to any other discoveries within EL 5675. It comprises:

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.

Cuttaburra/Yancannia ELs 6224 and 6225 (Compass 80%)

Compass' Joint Venture with Bohuon Pty. Ltd., covers an interpreted rift system in northwest New South Wales. While this rift system had been previously interpreted to exist by the New South Wales Geological Survey, its exploration potential has been largely ignored. Aeromagnetic anomalies along the main bounding fault of the rift have similar characteristics to anomalies caused by orebodies containing pyrrhotite such as Mount Isa, Sullivan (British Columbia) and the Cobar region type copper and lead zinc deposits in New South Wales. The sources of some of these anomalies have been modelled to between 100 and 180 metres below a cover of Tertiary/Quaternary sediment cover.

The lengths of the anomalies are of the order of two kilometres so if they are indicating orebodies, the size of the orebodies could be large. One of the prospective magnetic anomalies corresponds to a two milligal gravity anomaly in regional gravity data. Field evaluation of anomalies will commence in the current quarter.

Browns Development Project (Compass 90%)

A brief Information Memorandum was prepared as an introduction to possible new Browns Project participants. The memorandum was distributed to a short list of companies selected as they were considered to be a good fit for this project. All were invited to make a site visit to the project and to the Sydney Office data room. The assets being offered for joint venture comprised the large polymetallic resources excluded from the Phelps Dodge joint venture, together with Compass' other Northern Territory exploration areas including the latest Mt. Fitch South discovery.

The send out of invitations was delayed until late February pending completion of the Phelps Dodge deep hole as it is the intention of the Company to include the area of the Phelps Dodge agreement in a new project agreement should Phelps Dodge withdraw. Clearly if Phelps Dodge had intersected a substantial copper zone in recent drilling, the likelihood of that withdrawal would be less. This was not the case (see below).

Confidentiality agreements are in place for all invited parties and a number of site and data room visits have and are taking place. The Company is targeting early next quarter to reach agreement upon a future programme for Browns. We are encouraged at this time at the early response to evaluation of the project and data. It is clear that Browns represents a major metals resource that could support a large long term mining operation. The selection and agreement on the process technology will be an important factor in determining both the start up scale of operation and the possibility of offshore siting of some facilities.

It is clear also that Mt. Fitch South, Browns East and other prospects offer the opportunities to substantially enhance this project. It is preferable therefore that future drilling be undertaken on these priority prospects as well as progressing the Browns development evaluation.

Browns Deeps Exploration (Phelps Dodge Australasia Inc right to earn 70%)

The drilling of the deep hole at Browns to test the combined gravity anomaly interpreted to reflect the depth extension of the Browns resource resumed in January after the Christmas break. The hole was terminated at a down hole depth of 1,214.4 metres, approximately 600 metres vertically below the deepest drill intercept obtained by Compass.

Unlike drill holes that penetrated the target at a higher elevation, the deep hole failed to intersect a significant zone of base metal sulphide mineralisation. A zone of black shale containing barren iron sulphides (pyrite and pyrrhotite) was intersected between 1,166 and 1,176 metres. It is possible that this represents the ore shale horizon. However, Compass favours an interpretation that the ore shale horizon has not thinned but has been faulted out at this location. In support of this view, we would have expected a broader zone of anomalous base metals rather than the extremely low values had the ore horizon equivalent been intersected. The highest assays recorded in the hole was over a single one metre intercept located at 1,070 metres down hole returning 0.73% copper, 315 grams per tonne silver and 0.36% zinc. This may be related to a displacement fault zone containing remobilised mineralisation along structure.

The recent deep drill hole has had no impact on the existing Browns resource. The three deepest holes drilled by Compass listed below show the orebody is of significant thickness at a vertical depth of 300 to 400 metres below surface.

Compass' Deepest Holes Into the Browns Deposit

Hole	From (M)	To (M)	Interval (M)	Cu%	Pb%	Co%	Ni%
01BD02	392	455	63	0.36	11.94	0.11	0.09
01BD03	369	374	5	0.02	5.39	0.09	0.07
	374	386	14	2.03	0.56	0.20	0.15
	387	398	11	-	5.53	0.03	0.04
97BD03	173	275	102	0.06	8.92	0.13	0.10

Compass believes that this mineralisation will continue at depth, resulting in a significant increase to the existing Browns resource.

Area 55 Extension (Phelps dodge Australasia Inc. right to earn 70%)

One precollared diamond drill hole was completed southwest of Compass' Area 55 resource. The hole which was targeting a ground-based electromagnetic anomaly to the south of the excised Area 55 resource reached a depth of 267.1 metres. The highest assay interval so far received is 0.26% copper, 0.37% cobalt and 0.30% nickel between 170 and 171 metres. Results are pending for additional samples adjoining this anomalous interval.

World Beater Project - USA (*Compass Minerals Ltd - MBA Gold Corp earning 60%*)

MBA Gold Corp have continued their analysis of the results from last year's drill programme that concluded in early December. Compass agreed to an extension of time to 30 December, 2004 for MBA to complete a prefeasibility study to a standard defined by Canadian regulatory requirements. The reason for the delay was the later than anticipated finish to the World Beater programme and the need to properly evaluate results. At the completion of the prefeasibility study MBA's interest in World Beater will rise to 60%.

Evaluation of results completed to date shows a clear trend to the gold mineralisation which was extended by MBA in the recent programme and which remains open to the west. Additional drill road construction will be required to test this extension and also to test the deeper higher grade mineralisation which may represent a feeder structure.

MBA have made a number of appointments recently which should assist achieving their growth strategy, and advance the World Beater Project. Amongst the appointments is new non-executive director George Young, who was involved in the permitting and construction of the Briggs heap leach gold mine located 15 kilometres from World Beater.

In addition MBA has retained Endeavour Financial, a private investment banking firm that have assisted client financing of over US\$1 billion over the past 18 months.

Compass is looking forward to receiving MBA's programme plans for 2004 and to the completion of the World Beater prefeasibility and any additional drill programmes.

Information in this report accurately reflects the information compiled/reviewed by Dr. M. Humphreys, 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.