



15 June 2006

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**Supplementary Announcement
Compass Resources NL to acquire
additional 10% interest in the Rum Jungle Area Projects**

Compass Resources NL (Compass) is pleased to announce that it has entered into an agreement to purchase all the issued capital of Guardian Resources Pty. Ltd. (Guardian), through the issue of 8.25 million ordinary fully paid Compass Resources NL shares, effectively buying the remaining proportion of the Rum Jungle Area projects it did not already own. Guardian is a privately owned company that has been exploring the Rum Jungle region in joint venture with Compass since 1990.

At the time of closing of the transaction the sole assets of Guardian will be its 10% interest in both the Rum Jungle Joint Venture and an ancillary regional exploration joint venture. Under the agreements, Guardian was entitled to limited free carried expenditures for its 10% interest, and project loan rights. These rights are now removed and the purchase will consolidate for the first time all the Rum Jungle Projects into Compass' full ownership. This is an important step in facilitating the Company's plans for future base and specialty metal development and project financing with Hunan Non Ferrous Metals Corporation Ltd, as announced recently.

A formal sale and purchase agreement has been executed by the parties and closing is expected some time early in August subject to a Compass Extraordinary General Meeting to be held by 31st July 2006 at which the Company will seek shareholder approval for the transaction.

Commenting on the agreement Compass Chairman, Gordon Toll, said; "This is an outstanding acquisition for Compass shareholders. It is completely non-dilutive and expands our holdings of high quality resources and significant exploration potential. Furthermore, the transaction will complete a process of business restructuring that will simplify control and should accelerate development.

"It also clears the path for Compass to establish its 50/50 joint venture with Hunan Nonferrous on 100% of the base metals holdings in the NT and also puts 100% of highly prospective NT uranium holdings, which includes the three former uranium mines and their possible extensions, within Compass."

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