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Completion of Acquisition of Nangali Gold Project - Peru

Compass Resources NL ("Compass") and coventurer Indo Mines Ltd. ("Indo" - formerly AKD Limited) have agreed to expedite purchase of the highly prospective Nangali epithermal gold project in Peru, from a Newmont subsidiary.

Compass and Indo will pay Minera LJB Normandy Peru (now NGF Ltd) US\$150,000 on execution of the revised agreement terms (previously US\$200,000) and will pay a 1.5% NSR production royalty (previously 2%). The revised agreement is expected to be signed by 30 June 2006.

Compass (70%) and Indo (30%) are responsible for their proportionate share of the payment and royalty.

Exploration completed by Newmont includes geological mapping, drainage and rockchip geochemical sampling and dipole-dipole IP traverses. This work has identified a zone of low sulphidation epithermal quartz-carbonate veins with anomalous gold (1.0 to 98.7 ppm) and silver (1.0 to 814 ppm), which has a discontinuous strike extent of approximately 2 kilometres. No drilling has been undertaken, but drill sites have been identified and prepared by Newmont.

The election of Alan Garcia as President of Peru provides a more encouraging signal for continued growth of the Peru mining industry. Completion of this revised agreement enables exploration planning to commence for a drill programme to test the high grade Nangali gold vein system against an improved political and social background.

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