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Uranium Resource Delineated at Mt. Fitch Prospect

At a cut off of 0.75 lbs/tonne U_3O_8 , a uranium resource comprising 8.9 million tonnes at 1.01 lbs/tonne (0.046%) U_3O_8 has been estimated for the Mt. Fitch Uranium Prospect. At this cut off, the resource contains 8.9 million pounds (4,050 tonnes) of U_3O_8 . The resource increases to 14.5 million pounds (6,500 tonnes) U_3O_8 using a lower cut off grade of 0.5 lbs/tonne U_3O_8 .

The estimate completed by KnoxPartners uses a database comprising 186 drill holes of which 160 are historical (drilled mainly in the period 1955-1969) and 28 are Compass holes. The Compass holes drilled in 2005 were intended to provide a comparison using new high quality assay data and sampling techniques with previous drilling results and to examine geological controls on uranium mineralisation. This work provided confidence in the early drilling results and allowed its integration into the current resource estimate shown below.

Mt. Fitch Uranium Resource

Cut off lbs/tonne U_3O_8	M. Tonnes	% U_3O_8	lbs/tonne	M. lbs Contained U_3O_8
>0.75 lbs indicated	4.6	0.047	1.03	4.8
>0.75 lbs inferred	4.2	0.044	0.98	4.2
Total >0.75	8.9	0.046	1.01	8.9
>0.5 lbs indicated	10.0	0.037	0.81	8.1
>0.5 lbs inferred	8.3	0.035	0.77	6.4
Total >0.5	18.3	0.036	0.79	14.5

The deposit, (one of several promising uranium prospects on Compass' tenements in the Northern Territory) has not been closed off by drilling and will be further evaluated during the 2006 field season. Potential exists to increase this resource in several directions. This potential is illustrated by an RC hole originally drilled for copper by Compass in 1998. The stored drill pulps from this hole, FRC45, were re-assayed last month and recorded an intercept of 40 metres at 2.6 lbs/tonne (0.12%) U_3O_8 , including 19 metres at 4.60 lbs/tonne (0.21%) U_3O_8 . The hole is located along the northern edge of the area drilled for uranium. Outlining the trends of the mineralisation to the north, to the west and at depth is the objective of the 2006-drilling programme on this deposit.

The Mt. Fitch uranium resource is considered to be potentially commercial given that an in-situ grade of 0.5 lb/tonne (lower cut-off used in the resource calculations) would represent over A\$30.00 per tonne of in-situ value at current U₃O₈ prices (+A\$60/lb) and particularly taking into account the Company's plans to develop copper, cobalt nickel resources in this area and the likely benefits of shared infrastructure. Consequently samples of the uranium mineralisation types are being taken for preliminary extractive metallurgical test work. Preliminary open pit mine engineering and process plant engineering will also be undertaken before the end of 2006.

For further information contact:

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R.W. Knox (BSc.M.AusIMM) of KnoxPartners has sufficient and relevant experience with the style of mineralisation and appropriate modelling methods to qualify as a "Competent Person" to estimate and report Mineral Resources for Mt. Fitch. In KnoxPartners' opinion, Mineral Resource estimates for the Mt. Fitch uranium deposit have been prepared, based on reasonable data, to the standards of the JORC code.

M. Humphreys and M. K. Boots of Compass Resources have reviewed results and provided model input as required to KnoxPartners. Both have sufficient experience relevant to this style of uranium mineralisation to qualify as competent persons as defined in the JORC code.