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Level 5, 384 Eastern Valley Way
 Roseville NSW 2069
 Telephone: 02 9417 3588
 Facsimile: 02 9417 8750
 email: admin@compassnl.com.au
 Website: www.compassnl.com.au

Compass Resources Drill Progress Report 1

Highlights

Browns East: 06BE04 intersects 53 metres at 2.25% Copper 64 g/t Silver including 15metres at 5.15% Copper.

Browns West Zinc Target: 06BD10 intersects 65 metres at 2.76% Zinc 15 g/t Silver.

The first report for the Northern Territory 2006 drill programme was provided in the Company's recently released ASX Quarterly Report. Assays have now been received for additional RC holes completed last month at the Browns East Prospect and the Browns West Zinc Target.

The drilling programme at Browns East is planned to follow oxidised copper intercepts recorded last year deeper into the sulphide zone. Encouraging results have now been recorded from a further 2 holes. Of these 06BE04, located approximately 50m west of the Whites open pit, provided one of the best intercepts recorded at this Prospect. The hole intersected a wide zone (53 metres drill width) of dominantly sulphide mineralisation averaging 2.25% copper, including a higher grade interval of 15 metres from 95 metres averaging 5.15% copper. Stronger silver mineralisation, than is typical for this area, was associated with the copper intercept including an 11 metre interval from 98 metres at 230 g/t (7.4 ounces/ tonne) silver. Good grades of cobalt and nickel were also recorded with the best interval being 14 metres at 0.75% cobalt 0.50% nickel from 88 metres.

Several RC holes at Browns East were suspended due to high water flows. Diamond tails are planned for these holes in order to fully test the target zone.

Browns East Prospect RC Drill Results

06BE03 GDA Coordinate 8563322 North 717623 East									
	From	To	Interval (m)	Cu %	Pb %	Zn %	Co %	Ni %	Ag g/t
	67	76	9	1.00	0.01	0.01	0.04	0.05	2
06BE04 GDA Coordinate 8563245 North 717655 East									
	From	To	Interval (m)	Cu %	Pb %	Zn %	Co %	Ni %	Ag g/t
	43	58	15	0.06	0.01	0.01	0.18	0.10	2
	59	112	53	2.25	0.50	0.01	0.27	0.19	64
	124	134	10	0.62	0.02	0.01	0.02	0.03	5
	139	142	3	0.71	0.01	0.02	0.05	0.12	2
06BE06 GDA Coordinate 8563290 North 717664 East									
	From	To	Interval (m)	Cu %	Pb %	Zn %	Co %	Ni %	Ag g/t
	64	69	5	0.31	7.02	0.01	0.47	0.31	22
	69	81	12	2.87	0.53	0.02	0.17	0.23	32

A preliminary drill programme was also completed beyond the western end of the Browns deposit. The target here is an interpreted continuation of the Browns ore body as currently defined into a zinc deposit. Initial results from this Prospect were reported in the recent ASX Quarterly Report comprising several near surface zinc zones of moderate grade.

Assays are now in for the deepest hole completed to date in that programme (06BD10). This hole suggests that the narrower near surface lenses of zinc mineralisation, previously reported, are coalescing and widening at depth into a single zone. A further drill campaign is now being planned to evaluate the deeper potential and the western extension of this mineralisation.

Browns West Zinc Target							
06BD09 GDA Coordinate 8562496 North 716119 East							
	From	To	Interval (m)	Cu %	Pb %	Zn %	Ag g/t
	47	54	7	0.01	1.19	3.12	12
	58	63	5	0.01	2.49	3.78	16
	63	66	3	0.01	3.26	1.52	10
06BD10 GDA Coordinate 8562403 North 716060 East							
	From	To	Interval (m)	Cu %	Pb %	Zn %	Ag g/t
	83	88	5	0.01	0.85	3.33	9
	103	168	65	0.01	0.67	2.76	15
including	103	109	6	0.01	0.92	3.61	18
	131	135	4	0.03	1.41	3.91	23
	141	154	13	0.01	0.59	3.07	16
	158	168	10	0.01	0.64	3.79	18

All holes at Browns East and Browns West are inclined at 60 degrees at an azimuth of 336 degrees.

Above average rainfall and the extended period of the “wet” season affected both the start up and progress of the 2006 Northern Territory drill programme. Drilling at Browns East has been temporarily suspended to allow ground conditions to improve and the RC rig diverted to Mt Fitch to further evaluate both uranium and copper targets.

The diamond core drill rig continues to evaluate depth extensions of the Browns sulphide deposit. A second RC rig is scheduled to arrive on site in August and some double shifting is planned to help expedite the deep drill programme and the evaluation of the Mt Fitch, Browns East and Browns West Prospects.

For further information contact:

Max Boots

Phone: 02 9417 3588

Fax: 02 9417 8750

Email: admin@compassnl.com.au

The information in this announcement relating to exploration results, mineral resources, or ore reserves is based on information compiled by Dr .M Humphreys and Dr. M.K. Boots, full time employees of the Company, who are members of Aus.I.M.M. and who consents to the inclusion in this report of the information as presented.

Dr. M. Humphreys and Dr. M.K. Boots have sufficient experience relevant to the style of mineralisation/type of deposit under consideration and to the relevant activity to qualify as a Competent Person as defined in JORC Code 2004 edition.