



18 October 2006

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

Chairman of Compass Resources NL Personal Sales

As has been outlined in the Appendix 3Y notice, Mr. Gordon Toll (Chairman of the Board of Directors) has sold 1,397,000 shares in a series of open market transactions.

Mr. Toll advised the Board in July that the Investment Company of which he owns 50% required a capital injection to complete a property purchase that was committed to as a result of Mr. Toll's transfer from a Singapore base to London. Mr. Toll advises that completion of this transaction requires the sale of an additional 153,000 shares currently in progress which will be subject to a further Appendix 3Y notification. The shares sold by Mr. Toll are less than the number of shares he has purchased over the last 2 years.

The Board and Mr. Toll agreed that it would not be prudent to sell any shares until the defining agreement with Hunan Non-ferrous Metals Corporation had been resolved and the market fully informed on this important transaction. As announced on 29 September 2006, the Co-operation Agreement has been signed and now is subject only to government approval and the finalisation of the procedural documents.

The Board is discussing with Mr. Toll an extension to his term as Chairman which expires on 30 June 2007, to guide the Company through the exciting growth phase that lies ahead. The Board is pleased at the confidence Mr. Toll has shown in the Company in the past and his plan to continue to do so by not taking cash fees from the company, preferring to demonstrate his faith in the Company by taking compensation in shares.

The Board understands the circumstances that led to Mr. Toll's decision to sell some of his Compass shareholdings and supports that decision and the statement that he made to the Board set out below:

"The value of the extraordinary assets of our Company have not been diminished by my personal need to raise cash. The Company has approximately \$A75 million in the bank. Our world-class base metals assets are getting bigger as we continue to explore and drill unabated in all areas including delineation of our uranium resources, and pushing into new areas with exciting potential.

"Nor is my commitment to the Company diminished one iota by this sale. The Co-operation contract with HNC is now in place, construction in the Northern Territory copper cobalt nickel project is proceeding smoothly and we remain on track to transform Compass into a significant mid-tier exploration and mining company. I am convinced that the investors who bought my shares will not be disappointed.

"I would also like to thank Dr. Humphreys and his founding team who assembled the assets of Compass. I would point out that without their untiring efforts through some very difficult times we would not now be in the ASX 300. They have also taken very little past reward for these efforts but remain committed to Compass developing to its maximum potential for the benefit of all shareholders."

In conclusion, the Board believes that Mr. Toll remains fully dedicated to the Company and to continuing to add value for Compass shareholders in the exciting growth period that lies ahead.

For further information contact:

Philip Cohen

Phone: 02 9417 3588

Fax: 02 9417 8750

Email: admin@compassnl.com.au