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Company Announcement

Wildcat drill hole confirms exploration concept for Compass' Western NSW Projects

Exploration Results

The Cuttaburra and Yancannia Exploration Licenses (Compass 80% Bohuon Resources Pty Ltd 20%) were acquired to test a concept that a new base or precious metal mineral district may exist in this remote part of Western NSW.

The region is almost entirely covered by Cretaceous to recent sediments with the potentially prospective Lower Palaeozoic basement sequence occurring at unknown depth beneath the cover. This is the principal reason that the area has never previously been explored.

The conceptual model applied by Compass interprets airborne magnetic trends, identified from regional geophysical data, as basement features related to strata bound sulphide horizons, possibly with elevated base metals, and occurring at a shallow enough depth to allow effective exploration. As in other parts of the world including, the Cobar Basin, large base and precious metal deposits may be present along these trends associated with discrete magnetic anomalies.

Following geophysical modelling 9 discrete airborne anomalies were selected for initial follow up work, and were located in the field by geophysical surveys. A single wildcat hole was drilled into each of 2 widely separated anomalies (see map).

Both holes confirmed our exploration concept that the magnetic data reflected basement features within effective exploration range. The holes intersected a stratigraphic sequence similar to the Cobar Basin sequence at a depth of approximately 75 metres beneath the cover rocks. Encouragingly both holes intersected pyrite and or pyrrhotite mineralisation the latter being the source of the magnetic anomaly tested in the Cuttaburra Exploration Licenses. Assay results are now available for the Cuttaburra hole CBRC01 and include significant and strongly anomalous values for a wildcat hole with up to 0.11% copper, 0.18% zinc, 0.41% tungsten and 40 g/t silver. Silver in particular was anomalous over wide intervals (see table below).

Silver Intercepts from CBRC01

From (m)	To (m)	Interval (m)	Ag ppm
132	161	29	7.3
169	176	7	6.9
154	159	5	11.2

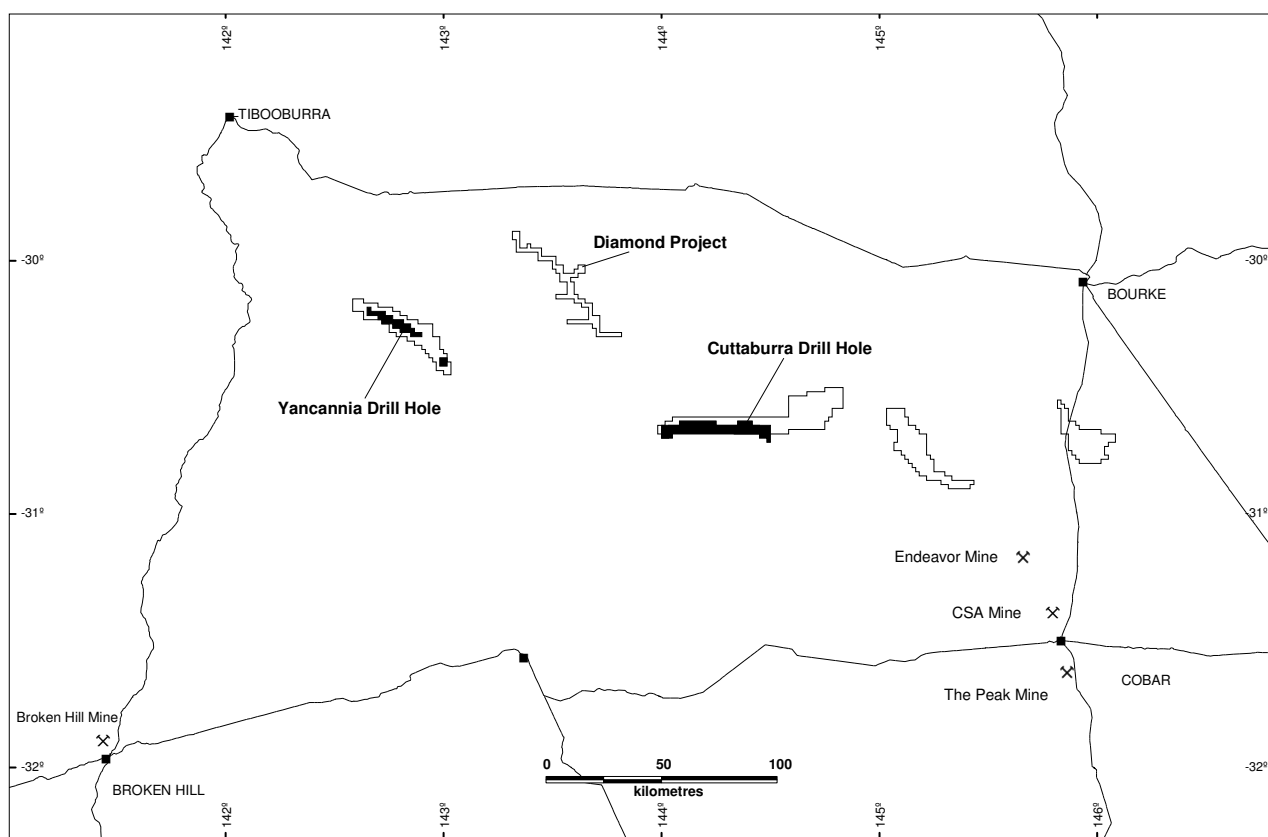
Assays are not currently available from the Yancannia wildcat hole, but from visual inspection it appears to be less well mineralised. We are however encouraged from a model viewpoint that this hole intersected bedded pyrite mineralisation.

Land Acquisition

Compass has applied for 5 new Exploration Licences in western NSW covering 1,742 square kilometres in the name of its wholly owned subsidiary, Four Points Exploration Limited. Parts of 2 ELs fall under the joint venture with Bohuon Pty Ltd. One application (Compass 100%) covers some discrete magnetic features interpreted as possible pipes prospective for diamonds and is based on recently released state aeromagnetic data.

It should be noted that exploration for base and precious metals in this remote region is still at an early stage but has progressed to a point where some significant drill programs will be required. Diamond exploration remains conceptual.

Location of Compass' Exploration Titles and Applications in Western NSW



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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.