



Media Release

12 February 2007

“Chinese regulator lodges approval notice”

Compass Resources NL (“CMR”) and Hunan Nonferrous Metals Corp (“HNC”) advise that the Chinese Government's principal authority for approval of overseas resource investments, the National Development and Reform Commission (“NDRC”), has lodged an approval notice on its Mandarin language website.

CMR is also aware that this notice has been the subject of various news agency releases and press articles and believes Company acknowledgement is required under ASX Listing Rules.

The role of the NDRC is to provide guidance and policy recommendations on all facets of economic development relating to the Chinese economy including, to recommend overseas resources development projects and overseas investment projects utilising large amounts of foreign exchange.

The statement on the NDRC website states that it has approved HNC’s USD\$116M investment in CMR’s NT base metals projects. No other information or detail was provided.

HNC has not yet received formal notification of the approval and cannot provide formal advice of any terms and conditions of the approval at this stage.

As previously announced, HNC will participate in the various joint ventures by:

- ✓ Funding oxide plant expenditure to a cap of \$72 million;
- ✓ Reimbursing CMR \$11 million for historical exploration expenditure;
- ✓ Funding 70% of base metal exploration expenditure for the next 5 years;
- ✓ Funding a definitive feasibility study to construct a sulphide plant with a proposed capacity of 4 million tonnes per annum (Mtpa).

Supplementary NDRC approval will be required of an election by HNC to sole fund the sulphide project plant.

As previously announced final joint venture documentation is scheduled to be signed in Darwin on 16 March, 2007.

The Board of Compass made the decision to commence construction of the oxide plant through the negotiating process to ensure that the mine will be in full production this year. HNC will reimburse this expenditure upon formal commencement of the joint ventures.

About Compass

The Company has a 100% interest in the Browns and associated Copper-Cobalt-Nickel deposits, with mining of the Oxide Project scheduled to commence in 2007. Projected production (with a mine life of 10 years) is 1.3 million tons per year (tpy), to produce 10,000tpy (22 million pounds) of Cu cathode and 2.2 million pounds (1,000tpy) of Co and 1.5 Mlbs (700tpy) of Ni as cobalt and nickel chemicals.

In addition to the Oxide deposit, Compass plans to mine the associated Lead-Copper-Cobalt-Nickel sulphide deposit, which has a projected mine life of 20+ years.

Compass is also a successful uranium exploration company with a JORC defined resource of 14.5 million lbs. Compass holds some of the most prospective uranium exploration ground in Australia. The Rum Jungle mineral field was the site of the first uranium mines in Australia, mines which operated from the 1950s to the 1970s.

Compass also has programs for gold and base metals exploration in New South Wales, (Australia), and Peru.

About HNC

HNC is headquartered in Changsha City, Hunan, Peoples Republic of China [PRC]. It is the largest integrated producer of nonferrous metals, excluding aluminium, in the PRC as measured by production volume. Major products are tungsten, zinc, antimony and lead, and compounds, alloys and other products derived from these metals. HNC controls the largest tungsten and bismuth reserves in the world and also substantial reserves of antimony. HNC has a vertically integrated and centralized production chain that includes upstream exploration, mining and ore processing as well as midstream smelting and downstream refining and value adding. They are the largest producer of refined and value-added cemented carbides, zinc and antimony in the PRC, as measured by production volume, as well as a major producer of products containing lead, silver, indium, tantalum and niobium.

For further information contact:

Philip Cohen (Company Secretary)

Phone: ++ 61 (0) 2 9417 3588

Fax: ++ 61 (0) 2 9417 8750