

ASX Release

19 March 2007

“Preliminary Scoping Study Indicates 2 million tpa mine based on initial Mt. Fitch Uranium Resources has attractive economics”

A preliminary scoping study conducted by Westech International under the direction of Compass and with significant input from Knox and Associates on geological issues and MineConsult on mine engineering, indicates that development of the Mt. Fitch Uranium resources is economically viable on a stand-alone basis in the current uranium demand and price environment. This preliminary study is based on the uranium resource announced on 14 July 2006 (announcement attached).

A program of additional drilling, sampling and process engineering test work will now continue to refine and optimize concepts and collect more data for a Definitive Feasibility Study. This program will also commence the necessary environmental engineering and regulatory work required for mining and processing uranium.

Development of Mt. Fitch would provide the first step in the Compass plan for producing uranium from a number of potential resources in its large tenement holding including the Rum Jungle area (10 million pounds of uranium was mined in this area during the 1950's and 60's).

The plan involves the mining of various potential resources as small independent mines and processing the ore through a central mill and processing facility.

Continuing work at Mt. Fitch, preparatory to the initiation of a Detailed Feasibility Study (DFS), will involve amongst other things:

- Environmental and Heritage Base line data collection;
- Design of all necessary air, water and other control and monitoring systems for the project;
- Further drilling, geological modelling and mining engineering;
- Bulk sampling and additional process engineering test work to confirm the process flow sheets; and
- Feasibility level engineering and cost estimating.

Both acid leach and alkali leach in conjunction with Resin in Pulp extraction have been examined in the preliminary scoping study process flow sheet development. The presence of significant quantities of carbonates in some of the resource types may favour the alkali leach approach, which in turn may have significant environmental and hence operating cost advantages.

Compass generated preliminary financial models based on inputs provided from Westech and restricted the model to an approximate 10-year life based only on the currently modelled Mt. Fitch resources. This starter project appears primarily sensitive to grade, uranium price and process recovery. Using a range of uranium prices the following results were calculated.

Uranium price	NPV @ 10%
\$USD 60	\$73.8M
\$USD 70	\$141.3M
\$USD 80	\$208.8M
\$USD 90	\$276.3M

Although these are results of a preliminary study, they are entirely as expected and thus the Board of Directors of Compass find them most encouraging and believe they confirm the plan for developing the uranium resources of the Rum Jungle area.

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 tonnes 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.

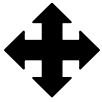
Compass also has programs for gold and base metals exploration in New South Wales, (Australia), and Peru.

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Uranium Resource Delineated at Mt. Fitch Prospect

At a cut off of 0.75 lbs/tonne U₃O₈, a uranium resource comprising 8.9 million tonnes at 1.01 lbs/tonne (0.046%) U₃O₈ has been estimated for the Mt. Fitch Uranium Prospect. At this cut off, the resource contains 8.9 million pounds (4,050 tonnes) of U₃O₈. The resource increases to 14.5 million pounds (6,500 tonnes) U₃O₈ using a lower cut off grade of 0.5 lbs/tonne U₃O₈.

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 ₃ O ₈	M. Tonnes	% U ₃ O ₈	lbs/tonne	M. lbs Contained U ₃ O 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%) U₃O₈, including 19 metres at 4.60 lbs/tonne (0.21%) U₃O₈. 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.

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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.