



ASX Release

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“Compass to establish an independent uranium company and an independent exploration company”

All joint venture documentation for the development of the Northern Territory base and speciality metals assets of Compass Resources NL ("Compass") was signed on 26 April 2007. The Board now believes that further opportunities for building shareholder wealth can be created by:

- the listing of a separate uranium exploration and development company, which will become the owner of all Compass' current uranium exploration and resource assets and which will focus purely on uranium exploration, mine development and production; and
- the listing of a separate base and precious metals exploration company, which will become the owner of all base and precious metal interests held by Compass in NSW, and which will initially focus on exploring Compass' large and highly prospective exploration tenement package in the centre and west of the State.

The Board has not yet obtained detailed legal or tax advice in relation to the proposed restructuring, and its implementation is therefore subject to:

- satisfactory resolution of any legal and tax issues associated with the proposal; and
- all necessary third party and regulatory approvals, including Compass shareholder approval.

The current intention is that shares in the new entities will be distributed on a pro rata basis to Compass' current shareholders and working capital for the new entities will be raised from a public offer of shares to be conducted at or about the same time as the distribution of shares to Compass shareholders.

The current intention is that Compass will retain an appropriate minority interest in each new company but day-by-day management decision-making will be independent.

The funds raised in the Uranium Company will allow its management to:

- Complete a detailed feasibility study on the Mt Fitch uranium deposit.
- Mount an even more aggressive exploration programme on the world-class portfolio of exploration tenements in the Northern Territory of Australia.
- Concentrate not only on exploration and development of these Northern Territory assets but also on acquiring attractive uranium exploration and development opportunities globally.

Compass is diligently focused on bringing into production the Company building base metals and speciality metals assets in the Northern Territory, for which the completion of the Hunan Nonferrous Metals Corp agreements provides almost all funding.

Compass also intends to build on its strong share price, debt free balance sheet, and its strong cash position to seek major additional company building, advanced stage assets in base and speciality metals, gold and other selected minerals.

The Board believes that the proposed restructuring will maximise financial and management efficiency and create significant opportunities for Compass shareholders.

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