

Joint Venture Update

As announced by Compass Resources Limited (**CMR** or **the Company**) on 19 May 2015, HNC (Australia) Exploration and Mining Pty Ltd (**Operator**) issued three Shortfall Notices to the Company and HNC (Australia) Resources Pty Ltd (**HAR**) (the Company's Joint Venture partner for the Browns Project), notifying the parties that CMR has failed to pay cash calls pursuant to three joint venture agreements governing the Company's interest in the Browns Project in the Northern Territory. The Company advises that it has paid the amounts sought pursuant to the Shortfall Notices, and confirms the Company does not have any outstanding payment obligations pursuant to the joint venture agreements.

The Company is in discussion with third parties in relation to a new financing transaction and recapitalisation proposal and intends to update the market shortly.

For and on behalf of the Board

COMPASS RESOURCES LIMITED

ABN 51 010 536 820

ASX Code: CMR

ASX Listed: 15 August 1991

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