

ASX ANNOUNCEMENT

21 January 2009

Cornell Capital Partners LP Loan Repayment

The Board has elected to make the January scheduled repayment of principal under the Series A Convertible Loan in shares being 11,434,621 (6,279,641 at \$0.1508 and 5,154,980 at \$0.1837).

Under listing rule 7.1, the Company can issue up to 15% of its Share Capital without Shareholder approval. This limit allows the issue of only 2,736,189 shares at \$0.1508 today.

The balance will be issued on 29 January 2009 subject to Shareholder approval of Resolution 1 at the Extraordinary General Meeting of Shareholders of that date.

For further information regarding this announcement contact:

Richard Swann (Managing Director)
Neil Guest (Chief Financial Officer / Company Secretary)
Telephone: + 61 2 9417 3588
Facsimile: + 61 2 9417 8750

or go to our website at www.compassresources.com.au

ABOUT COMPASS

Compass Resources Limited is an Australian resources company listed on the Australian Stock Exchange.

Compass Resources seeks to build shareholder value through exploration, development & production from its potential world class base, precious metal and uranium interests in Australia's Northern Territory.

ASX Code: CMR

ASX Listed: 15 August 1991
Shares on issue: 145 million
Unlisted options: 10 million
Market Cap (at 30-09-08): A\$29 million

Top 20: 34.2%

Major Shareholder:
Hunan Nonferrous Corporation 4.1%
Harbinger Capital Partners 12.4%

COMPASS RESOURCES LIMITED

ABN 51 010 536 820

REGISTERED OFFICE

Level 5, 384 Eastern Valley Way
Roseville NSW 2069
Tel: +61 (0)2 9417 3588
Fax: +61 (0)2 9417 8750

info@compassresources.com.au

www.compassresources.com.au

Disclaimer

This announcement may or may not contain certain “forward-looking statements”. All statements, other than statements of historical fact, that address activities, events or developments that Compass believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, and “intend” and statements that an event or result “may”, “will”, “can”, “should”, “could”, or “might” occur or be achieved and other similar expressions.

These forward-looking statements reflect the current internal projections, expectations or beliefs of Compass based on information currently available to Compass. Forward-looking statements are subject to a number of risks and uncertainties, including those detailed from time to time in filings made by Compass with securities regulatory authorities, that may cause the actual results of Compass to differ materially from those discussed in the forward-looking statements, and even if such actual results are realised or substantially realised, there can be no assurance that they will have the expected consequences to, or effects on Compass. Compass expressly disclaims any obligation to update or revise any such forward-looking statements.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

COMPASS RESOURCES LIMITED

ABN

51 010 536 820

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,736,189 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (i) 2,736,189 Shares issued at a price of \$0.1508

being loan repayment instalments pursuant to a Convertible Loan Agreement previously announced to the ASX. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>				
<p>5 Issue price or consideration</p>	<p>As per item 3</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>As per item 3</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>21 January 2009</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">147,402,920</td> <td style="text-align: center;">OFP shares</td> </tr> </tbody> </table>	Number	+Class	147,402,920	OFP shares
Number	+Class				
147,402,920	OFP shares				

+ See chapter 19 for defined terms.

	Number	+Class	
9			
	Number and +class of all	70,000	Options (\$1.69 expiring 31/12/2008)
	+securities not quoted on	118,000	Options (\$3.14 expiring 31/12/2009)
	ASX (including the	1,500,000	Options (\$2.20 expiring 31/12/2010)
	securities in clause 2 if	300,000	Options (\$3.40 expiring 31/12/2009)
	applicable)	500,000	Options (\$4.00 expiring 31/12/2009)
		200,000	Options (\$3.69 expiring 31/12/2011)
		3,460,000	Options (\$4.5805 expiring 14/12/2010)
		1,540,000	Options (\$3.4953 expiring 14/12/2010)
	2,700,000	Options (\$5.04 expiring 31/12/2012)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No dividends payable in current financial period	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

--

39 Class of +securities for which
 quotation is sought

--

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

--

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

--

42 Number and +class of all +securities
 quoted on ASX (*including* the
 securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
.....Date: 21 January 2009
(Company secretary)

Print name: Neil Guest
=====

N:\Corporate\ASX\ASX\2009\APPENDIX 3B 19 01 09 (2).doc
+ See chapter 19 for defined terms.



Compass Resources Limited
ABN 51 010 536 820

Level 5, 384 Eastern Valley Way
Roseville NSW 2069

Tel: +61 (0)2 9417 3588

Fax: +61 (0)2 9417 8750

www.compassresources.com.au

21 January 2009

Company Announcement Office,
Australian Stock Exchange Limited
PO Box H224
Australia Square
SYDNEY NSW 2000

Dear Sirs

Notice under Section 708A of the Corporations Act

This notice is given under Section 708A(5)(e) of the Corporations Act in respect to the issue of 2,736,189 ordinary fully paid shares by the Company on 21 January 2009 without disclosure to investors under part 6 D.2 of the Act.

As at this date the Company has complied with:

- a) The provisions of Chapter 2M of the Act as they apply to the Company; and
- b) Section 674 of the Act

At this date there is no information to be disclosed that is excluded information defined by Section 708A(7) of the Act, as required by Section 708A(8) of the Act.

Yours sincerely
COMPASS RESOURCES LIMITED

Neil Guest
Company Secretary

