

ASX ANNOUNCEMENT

27 January 2009

Update on financial position

Following the request for a Trading halt on Friday the Board of CMR has reviewed the current financial position with external advisors.

Issues considered include:-

1. Current metal prices
2. The delays in full metal production from the Browns Oxide Plant
3. HNC's ongoing funding of the Oxide Project
4. Our current cash position. We have in excess of \$9 million on hand.
5. Our ability to minimize cash usage.
6. The debt with HNC, Coffee House and Cornell.

The Board has determined to proceed with a capital raising as soon as possible.

For further information regarding this announcement contact:

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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 20.01.09): A\$29 million

Top 20: 34.2%

Major Shareholder:

Hunan Nonferrous Corporation 4.1%

Harbinger Capital Partners 12.4%

COMPASS RESOURCES LIMITED

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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.