Companies Announcements Office
Australian Securities Exchange

5 August 2013

2013 Annual General Meeting: Chairman’s Address, Formal Resolutions and CEO’s Presentation

Attached are the Acting Chairman’s address, presentation covering the formal resolutions, and my Review of Operations, all for shareholders at Compass’s 2013 Annual General Meeting to be held at 2:30pm today.

Yours faithfully
Compass Resources Limited

Philip R. Wood
Chief Executive Officer & Executive Director
2013 Annual General Meeting

Opening address by Acting Chairman (John Allen)

Ladies and gentlemen,

I am pleased to welcome you to the first Annual General Meeting of shareholders of Compass Resources Limited since your Company came out of voluntary administration in November 2011.

Firstly, I would like to pass on our Chairman Mark Angelo’s apologies, since due to pressure of other work he was unable to make the journey from New Jersey to attend today’s meeting, which in his absence, your Directors have asked me to chair. In addition, two of our other Non-executive Directors, Jerry Eicke and David Gonzalez, also from New Jersey, are in the same position and pass on their apologies.

My name is John Allen and I have been a Director of Compass, along with Philip Wood, on my left, since late June of last year. Philip has been Chief Executive Officer of Compass since last August, and he will provide you with an operational update later in our meeting, after dealing with the formal resolutions.

On my right is our Managing Director Jim Carr, who we are pleased has been able make the trip from New Jersey to attend this meeting.

Philip will explain more fully later, but I would like to provide you now with a summary of the Company’s progress over the last twelve months towards achieving real shareholder value in the medium term.

You will remember that the Company went into voluntary administration in January 2009 following initial copper production from the Browns Copper Oxide Project in the Northern Territory, in which your Company has a 50% joint venture interest alongside the Hunan Nonferrous Metals Group of China. Unfortunately Compass became a victim of the global financial crisis at a time when the newly-commissioned processing plant was still unable to process nickel and cobalt from the oxide ore and the copper price declined briefly but sharply. Before being put on care and maintenance, the Copper
Oxide Project had cost $212m approximately, with Compass being liable for the substantial cost overruns, which required it to draw down upon its convertible loan facility from YA Global.

Almost three years later, Compass came out of administration in November 2011, following a corporate restructure with the continuing support of Hunan, and the Company’s current major shareholder, YA Global, during that time. Although the Deed of Company Arrangement provided for a very substantial debt-for-equity swap, the restructure involved Compass continuing to carry a major debt burden of approximately $55m owed to both Hunan and YA, both of which continued to support Compass.

YA Global then loaned funds to Compass to enable the debt owing to Hunan to be repaid in monthly instalments. This continued through until November 2012 when YA ceased to provide all of the requisite funds. Since then Hunan has been willing to show patience to your Company in not requiring immediate repayment of the Hunan debt, while your Directors have worked on a recapitalisation of the Company’s balance sheet.

Also, throughout this period and until the present time, YA Global has continued to provide Compass with loan funds on an ‘as needed’ basis to meet Compass’s modest working capital needs, and to meet its share of the Joint Venture costs (which are currently averaging about $250,000 per month).

I would like to take this opportunity, on behalf of Compass and its shareholders, to thank both YA Global and Hunan for their continuing support, without which it is important to understand that your Company would no longer exist and would not currently be able to survive.

Philip and I joined your Board last year as we both, along with YA Global and Hunan, could see the real potential to crystallise value from the Browns Sulphide Project. This comprises a very substantial polymetallic ore body, with an existing processing plant much of which could be utilised, established infrastructure, a granted mining lease and a location close to the Port of Darwin. We understood that the task would not be easy, but the potential justified the effort, notwithstanding the significant historical difficulties.

Within the Browns Sulphide Project joint venture, Compass and Hunan have together undertaken a Scoping Study, which Compass announced to ASX earlier this year. The Study is exploring the potential for an underground mine focusing initially on the high grade lead zone and then high grade copper zone, both with important cobalt and nickel credits. This has the potential for far easier metallurgy, and without the huge environmental footprint and upfront capital costs that a very large scale open
cut polymetallic operation would entail. Philip will give you an update on how the Scoping Study is progressing later in the meeting.

Your Directors have been working assiduously on the recapitalisation of the Company’s balance sheet to address the Company’s significant debt burden and we are in discussion with a number of parties to achieve such an outcome. Such an outcome is required to facilitate the reinstatement to trading on ASX of your Company. However those discussions have not yet achieved a stage when we can make any announcement to the market, because as a practical matter, any transaction will depend on the completion of the Scoping Study.

To sum up, your Directors have managed the ongoing survival of the Company through continued positive engagement with the Company’s major shareholder, joint venture partner and major creditors. While there continue to be challenges, we are working to develop a positive platform to take the Company forward in order to crystallise value in the future.

In the meantime, I would like to thank you all as our shareholders for your continuing patience while we seek to further restructure the Company, seek reinstatement to trading on ASX and move to an early development of the Browns Sulphide Project based on this new underground high grade approach. Of course, all of these things will depend upon the outcome of the Scoping Study, and the continuing support of YA Global and Hunan.

Thank you ladies and gentlemen. We will now move to the formal shareholder resolutions.
2013 Annual General Meeting

Yangtze Room, Mezzanine Level
3 Spring Street, Sydney NSW 2000, Australia
2.30pm, Monday, 5 August 2013
Welcome and Introduction

John Allen
Acting Chairman
Introduction of Board

Chairman: Mark Angelo (apology received)
Chief Executive Officer & Executive Director: Philip Wood
Managing Director: Jim Carr
Non-Executive Directors: John Allen (Acting Chairman), Gerald Eicke (apology received), David Gonzalez (apology received)
Company Secretary: Tom Bloomfield (General Manager, Corporate Secretarial & Business Solutions at Boardroom Pty Limited, CMR’s share registry)
Mr John Allen meeting the then Chinese Vice-Premier Zhu Rongji at a luncheon in Sydney (29 May 1997).
Resolution 1

Valid Proxies received for:
Adoption of Remuneration Report

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>For</td>
<td>178,789,894</td>
</tr>
<tr>
<td>Against</td>
<td>10,243,173</td>
</tr>
<tr>
<td>Abstain</td>
<td>1,083,842,541</td>
</tr>
<tr>
<td>Open (discretion)</td>
<td>676,649</td>
</tr>
</tbody>
</table>
## Resolution 2

Valid Proxies received for:
**Election of Director – Mr Mark Angelo**

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>For</td>
<td>1,261,341,924</td>
</tr>
<tr>
<td>Against</td>
<td>10,254,715</td>
</tr>
<tr>
<td>Abstain</td>
<td>136,680</td>
</tr>
<tr>
<td>Open (discretion)</td>
<td>1,818,938</td>
</tr>
</tbody>
</table>
Resolution 3
Valid Proxies received for: Election of Director – Mr Gerald Eicke

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>For</td>
<td>1,268,901,576</td>
</tr>
<tr>
<td>Against</td>
<td>2,696,843</td>
</tr>
<tr>
<td>Abstain</td>
<td>134,900</td>
</tr>
<tr>
<td>Open (discretion)</td>
<td>1,818,938</td>
</tr>
</tbody>
</table>
### Resolution 4

Valid Proxies received for:

**Election of Director – Mr David Gonzalez**

<table>
<thead>
<tr>
<th>For</th>
<th>1,268,898,096</th>
</tr>
</thead>
<tbody>
<tr>
<td>Against</td>
<td>2,699,523</td>
</tr>
<tr>
<td>Abstain</td>
<td>134,900</td>
</tr>
<tr>
<td>Open (discretion)</td>
<td>1,819,738</td>
</tr>
</tbody>
</table>
**Resolution 5**

Valid Proxies received for:

**Election of Director – Mr Philip Wood**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>For</td>
<td>1,268,681,678</td>
</tr>
<tr>
<td>Against</td>
<td>2,918,541</td>
</tr>
<tr>
<td>Abstain</td>
<td>137,300</td>
</tr>
<tr>
<td>Open (discretion)</td>
<td>1,814,738</td>
</tr>
</tbody>
</table>
Resolution 6
Valid Proxies received for:
Election of Director – Mr John Allen

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>For</td>
<td>1,268,949,622</td>
</tr>
<tr>
<td>Against</td>
<td>2,645,597</td>
</tr>
<tr>
<td>Abstain</td>
<td>137,300</td>
</tr>
<tr>
<td>Open (discretion)</td>
<td>1,819,738</td>
</tr>
</tbody>
</table>
Operations Report
Philip Wood
Chief Executive Officer
& Executive Director
Browns Project Joint Venture

This project comprises three similar joint ventures: Browns Sulphide Joint Venture Operation; Browns Oxide Joint Venture Operation and Browns Regional Exploration Joint Venture Operation, each between HNC (Australia) Resources Pty Ltd (50%) and Compass Resources Limited (50%) with HNC (Australia) Exploration and Mining Pty Limited as the Darwin-based Operator.

Mr Li Li
Chairman, Browns Project Joint Venture Operating Committees
Executive Director and General Manager, Hunan Nonferrous Metals Corp.
Scoping Study Update

1. Existing Project
2. New Approach for Scoping Study
3. Scoping Study Participants
4. Scoping Study Progress
   (a) Resource Geology
   (b) Resource Mining
   (c) Metallurgical Testwork
   (d) Plant Engineering
5. Additional Work
The Browns Project is located 10km to the west of Batchelor, which is located approximately 100km south of the Port of Darwin via the Stuart Highway.
1. Existing Project

Feed Conveyor From ROM Pad to Crusher to SAG mill
1. Existing Project

SAG mill
1. Existing Project

Thickeners and Copper Oxide Processing Plant
1. Existing Project

Tailings Dam
2. Project Description: New Approach

There have been numerous attempts over many years to commercialize the whole of the 60 million tones Browns Sulphide polymetallic deposit via open pit mining. However, the complex metallurgical issues associated with separating the lead and copper sulphides, varying over the whole resource, have never fully been resolved.

In contrast, the present Hunan–Compass Browns Sulphide Joint Venture Committee has decided to pursue a more targeted approach to the resource. By selective underground mining of lead zones with minimal copper, and copper zones with minimal lead, some of the metallurgical difficulties can be alleviated, albeit at reduced production tonnages (suited to the existing plant).

In December 2012, the Joint Venture Committee approved a $1m Scoping Study to be available by fourth quarter 2013. This will investigate the economic and technical feasibility of producing lead, copper and/or nickel/cobalt concentrates from the deposit, using a selective underground mining approach.
3. Scoping Study Participants

The Scoping Study is co-managed by Hunan and Compass through the Operator (HNC (Australia) Exploration and Mining Pty Limited) using Minerals and Residues (Dr. Andrew Tong, Sydney) as Owners’ Representative.

The Scoping Study involves the following experts:

**Resource Geology** – H & S Consultants (Brisbane)

**Resource Mining** – Australian Mine Design and Development (AMDAD) (Brisbane/Sydney)

**Metallurgical Testwork** – Hunan Resource Institute of Nonferrous Metals (Changsha) and Amdel (Adelaide)

**Plant Engineering** – Initially Arccon Mining Services (Perth) – replaced by GHD Australia (Sydney)

**Scoping Study Audit** – GHD Australia (Sydney)
4. Scoping Study Progress

(a) Resource Geology

- Significant high grade lead zones (with nickel/cobalt credits) open at depth yielding 10 year mine life at 1mtpa

- Substantial medium grade copper zone requiring nickel/cobalt credits
4. Scoping Study Progress

(b) Resource Mining

- Exploration decline access to ore body, initially for fresh metallurgical samples, geotechnical studies and underground hydrology

- End slice panel stoping (all lodes) with backfill
4. Scoping Study Progress

(c) Metallurgical Testwork

- Flotation tests demonstrate high recoveries into saleable lead and copper concentrates

- Emphasis on upgrading intermediate nickel/cobalt product
4. Scoping Study Progress

(d) Plant Engineering

- Existing comminution (crushing, grinding) section can be utilised on sulphide ore

- New flotation section will be required

- Identifies redundant components of the plant
5. Additional Work

Tailings Dam

Environmental Issues

Water Use

Site Hydrology

Regulatory Approvals

Community Support

Financial Modelling
Summary and Questions

Philip Wood
Chief Executive Officer
& Executive Director
Close of Meeting

Shareholders are invited to meet with Compass Directors and staff over refreshments outside the meeting room.