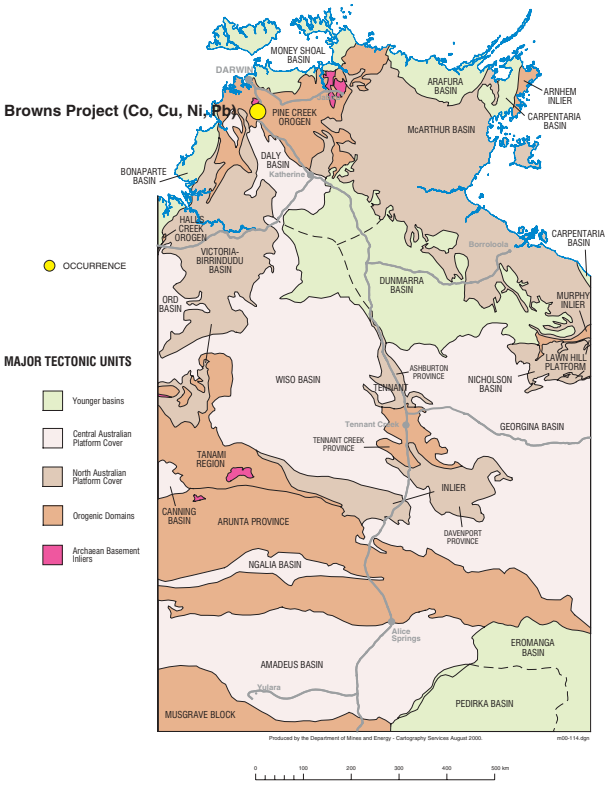
Browns Polymetallic Project

Potential Sunrise Gas Customer

Fact Sheet

Browns Polymetallic Project



Name

Browns Polymetallic Project

Employment

- Construction workforce — Up to 350
- Operations workforce — 150

Project Size

- Production increasing to — 70,000 tpa lead and 20,000 tpa (copper, cobalt and nickel products)

Capital Expenditure

- Initial — $A150 – 200M
- Expansion — About $A200M

Current at: 28/03/02

Northern Territory Government

Browns Polymetallic Project

Key Points

- Production is planned to commence fourth quarter, 2004
- Electricity consumption

  Initial 20MW (1PJ per annum)

  Final 40MW (2PJ per annum)
- Technical and financial backing from Doe Run (largest lead producer in the world).
  - Can earn 25% interest
- Has Major Project Facilitation status for Commonwealth Government
- $4.6M R&D Start Grant provided by Commonwealth Government

The Project

The Browns Polymetallic Project is situated seven kilometres NNW of Batchelor. The project is 80 kilometres from Darwin's East Arm Port via a sealed road.

Compass Resources NL (90 %) and Guardian Resources Pty Ltd (10 %) hold the mineral leases.

The proponents propose to produce up to 70,000 tpa lead and approximately 20,000 tpa of copper, cobalt and nickel products annually starting with a smaller project output and ramping up.

The project has over 30 years of ore reserves at the ramped up production rate of 2.35 Mtpa ore. Production is expected to commence at approximately 600ktpa with high grade ore.

Project Status

In July 2001, the Lycopodium led engineering syndicate completed a Commercialisation Options Study. The study has confirmed the technical and commercial feasibility of the flotation and smelting circuits.

By the end of 2002, Compass Resources plans to complete a definitive feasibility study of an incremental scale option ($150M-$200M) that may be expanded at a later date. A joint venture partner has been sought to help develop and finance the world scale project.

Approximately 40MW peak generating capacity will be required, which translates to a 2 petajoule per year gas demand.

Recently, Compass has announced it will proceed with the project in partnership with Doe Run using an Engitech leach process (patented by Doe Run) after floating a mixed concentrate and prior to refining for metal production using an SX-EW process.

Geology

The Browns and Browns East deposit form a major, stratabound polymetallic sulphide deposit over two kilometres long, over 100 metres wide and open at depth, hosted in Proterozoic graphitic shales. The deposit is located on the northern limb, of a tightly folded synclinal structure, adjacent to the Giant's Reef Fault Zone.

Magnesite and dolomite are located next to the deposit and will be extracted as overburden. The high-grade material will be stockpiled while lower grade material will be used in the waste rock dumps to manage potential acid generation.

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