



## NEWS RELEASE

### **Compass Gold Closes C\$2,000,000 Private Placement**

*Vancouver, B.C. Canada, March 7, 2011* – **Compass Gold Corporation** (TSXV:CVB) (“Compass” or the “Company”) announces that further to its news releases dated January 20, 2011 and February 22, 2011, it has completed a non-brokered private placement of 16,666,666 units at a price of \$0.12 per unit for gross proceeds of C\$2,000,000 (the “Offering”).

Each unit consists of one common share and one-half of one common share purchase warrant of the Company. Each whole warrant entitles the holder to acquire one additional common share of the Company at a price of \$0.20 per common share until April 12, 2012 subject to the Company's right to accelerate the exercise of the warrants if the closing market price of the common shares of the Company on the TSX Venture Exchange (the “Exchange”) is equal to or exceeds \$0.30 per common share for a period of 10 consecutive trading days during the term of the warrant, commencing four months after the date the warrants are issued.

The Company issued to finders under the private placement an aggregate of 362,716 share purchase warrants to purchase up to 362,716 common shares at a price of \$0.12 per common share for a period of two years. In addition, the Company paid cash commissions to finders totaling C\$50,525.86.

The common shares and warrants issued pursuant to the private placement and any common shares issued on exercise of the warrants are subject to 4-month resale restriction that expires on July 5, 2011.

The proceeds of the Offering will be allocated to fund the Company's Phase 2 exploration program (see Compass' news release dated January 18, 2011) and for general working capital.

#### **Annual Stock Option Awards**

The Company also announces its annual grant of stock options, consisting of the grant of 1,450,000 compensation stock options to directors, officers, and consultants of the Company. Each option is exercisable to purchase one common share of the Company until March 7, 2016 at a price of C\$0.155 per common share in accordance with the Company's stock option plan.

**About Compass Gold Corporation**

Compass Gold Corporation is a Tier 2 mining issuer listed on the Exchange and focused on gold exploration in Mali, Africa's 3rd largest producer of gold. Compass holds a 20% shareholding in Africa Mining SARL, with an option to increase its shareholding to 51%. Africa Mining holds a 100% interest in four gold exploration permits (Yanfolila, Dandoko, Kolondieba and Solabougouda) covering 688 sq km's in key gold producing regions in south and south west Mali, West Africa.

Further information is available at [www.compassgoldcorp.com](http://www.compassgoldcorp.com)

**COMPASS GOLD CORPORATION**

*"James Henderson"*

James Henderson, President

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