



NEWS RELEASE

Compass Gold to Undertake C\$1,200,000 Private Placement

Vancouver, B.C. Canada, January 20, 2011 – **Compass Gold Corporation** (TSXV:CVB) (“Compass” or the “Company”) announces its intention to carry out a non-brokered private placement of up to 10,000,000 units at a price of \$0.12 per unit for gross proceeds to the Company of up to C\$1,200,000 (the “Offering”).

Each unit will consist of one common share and one-half of one common share purchase warrant of the Company. Each whole warrant will entitle the holder to acquire one additional 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 may pay finders' fees and/or commissions in connection with the Offering in cash and/or securities of the Company in accordance with the policies of the Exchange.

The Offering is subject to the approval of the Exchange.

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.

About Compass Gold Corporation

Compass Gold Corporation is a Tier 2 mining issuer listed on the TSX Venture 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 the holding to 51% of Africa Mining, which holds an 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.

COMPASS GOLD CORPORATION

“James Henderson”

James Henderson, President

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This press release includes "forward-looking statements" including forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Compass Gold Corporation. Statements regarding future fund raising and capital expenditures are subject to all of the risks and uncertainties normally incident with the raising of capital including, but are not limited to, financing risks, inflation and costs of goods and services. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Compass Gold Corporation does not assume the obligation to update any forward-looking statement, except as required by applicable law.

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