



## NEWS RELEASE

### **Compass Gold Exploration Program Results And Option Exercise**

*Vancouver, B.C. Canada September 30, 2010* – **Compass Gold Corporation** (TSXV:CVB) (“Compass” or the “Corporation”) provides the following update regarding its exploration activities in Mali, West Africa, pursuant to three exploration gold research permits held by Africa Mining SARL (“Africa Mining”). Africa Mining granted Compass the option to acquire 51% of the issues shares of Africa Mining in December 2009.

#### Highlights

- Phase 1 exploration program completed on gold exploration licenses in Mali, West Africa.
- Exploration results exceeded expectations having highlighted twelve significant gold anomalies. Ten of the twelve anomalies coincide with high-level potassic values, often associated with gold mineralization.
- Exploration results on the Yanfolila license include:
  - Solona Prospect: Four gold anomalies defined with strike lengths ranging from 1,600m to 4,000m
  - Yanfolila East Prospect: Three gold in soil anomalies defined with strike lengths ranging from 2,600m to 4,000m
  - Yanfolila Prospect: Existing artisanal mining site extended by a 50m x 10m area and a further gold in soil anomaly identified with a strike length of 2000m
  - Guendibi Prospect: Two gold in soil anomalies defined with strike lengths ranging from 1,000m to 3,000m
  - Noumourila Prospect: One gold in soil anomaly identified with a strike length of 1,800m

Second phase exploration program proposed to include the following key activities:

- Yanfolila license: Collation of all available data (geology, geochemistry, geophysics) associated with structural interpretation in order to advance Solona and Yanfolila prospects to drilling stage.
- Kolondieba License: Advance defined targets by trenching and regional and semi-regional exploration of the remainder of the license area.
- Dandoko License: Regional geochemical exploration and detail mapping of all artisanal mining sites.

### **Initial Exploration Program – Work Completed**

In February 2010, Africa Mining commenced an initial \$500,000 exploration program. This focused on the Yanfolila License located in south west Mali. Africa Mining holds three exploration licenses. These licenses are all located in key gold producing regions in Mali. A summary of the exploration work completed is set out below:

#### **Yanfolila**

The majority of the Company's exploration work was focused on the Yanfolila License in accordance with a 43-101 report completed by Watt Griffis & McOuat Limited dated January 2010 ("**43-101 Report**") entitled "A Technical Review of the Yanfolila Gold Concession, Mali West Africa" which recommended focusing exploration efforts on the identified Solona target. In addition, Africa Mining conducted additional exploration work on a regional and semi-regional scale with the objective of assessing the potential of the whole license. Exploration work consisted of:

- Geological mapping at the scale of 1:20,000 of the whole license (250km<sup>2</sup>), with additional mapping completed at the scales of 1:10,000 and 1:1,000 on the Solona target;
- Geochemical survey over five defined targets: 8,446 soil samples and 733 termite mould samples collected using a grid of 200m by 40m over the 4 target areas;
- 55 artisanal mining pits cleaned and 257 channel samples collected;
- 70 auger holes, 21m each, drilled using a truck mounted drill rig. 240 samples (1.5m composite samples) collected;
- 150m hand dug trench with the collection of 150 samples;
- A 12 sq km ground magnetic survey completed over the Solona target; and
- A topographic survey completed over the Solona artisanal working area.

Soil geochemical survey at the grid of 200m by 40m has been completed over the 4 target areas with the objective of extending the strike length of each anomaly from the existing 300m to more than 1 km.

A total of 10,251 samples (of the type set out above) were collected and submitted to ALS Chemex laboratory in Bamako and gold assayed for gold. ALS Chemex in Bamako is ISO 17025 accredited. The testing procedures including sample size and analysis completed for

the samples assayed followed the procedures as set out in the 43-101 Report, which can be found under Compass' profile at [www.sedar.com](http://www.sedar.com).

Dr. Madani Diallo the Qualified Person for the purpose of this news release is the principal of M-Consulting, which conducted the work programs described in this news release. Dr Diallo supervised all work completed through all stages including sample planning, implementation and quality assurance.

The results of the work program included the following:

- Geological Mapping

As a result of the mapping, five large target areas covering 31% of the license were selected for semi-detailed soil geochemical sampling. Known and new anomalies were identified and extended. The target areas were defined based on geology, geomorphology or the presence of old or current artisanal workings.

- Geochemical soil survey

The soil geochemical survey was completed over the four target areas and resulted in 8,644 samples have been collected. The interpretation of the assays has both increased the size of known anomalies and identified several new large gold-in soil anomalies as follows:

- Solona: the original strike length of the gold anomaly was increased from 300m to 1,200m. Three new significant gold anomalies, with respective strike lengths of 1,600m, 2,000m and 4,000m have been defined.
- Yanfolila East: three new anomalies with respective strike lengths of 2,600m, 3,000m and 4,000m have been defined
- Yanfolila: the existing artisanal mining site has been extended to 50m by 10m area and a new gold in soil anomaly has been identified with a strike length of 2,000m.
- Guendibi: Two new anomalies were defined with strike lengths of 1,000m and 3,000m.
- Noumourila: a new anomaly with a strike length of 1,800m was identified.

Ten of the twelve gold anomalies are coincident with high-level potassic anomalies. This is encouraging as potassic anomalies are a sign of potassic alteration, which is often associated with gold mineralization.

A short description of the size of discovered anomalies is set out in the table below.

Zones	Dimension( m)	Au range ( ppb)
Solona anomaly	2200 x 700	16 to 2000
Solona south east anomaly	1600 x 1000	16 to 158
Solona north east anomaly	2200 x 500	16 to 2450
Solona north anomaly	4000 x 600	16 to 43300
Noumourila 2 anomaly	1800 X 1000	16 to 99
Yanfolila anomaly	2000 X 600	16 to 210
Yanfolila South anomaly	1000 X 400	16 to 152
Yanfolila West anomaly	2800 X 1500	16 to 622
Guendibi anomaly	3000 X 1500	16 to 403
Guendibi north anomaly	1000 X 600	16 to 152
Anomaly A	3000 X 600	16 to 1220
Anomaly B	4000 X 2200	16 to 788
Anomaly C	2600 X 600	16 to 238

- Detailed work – Solona

At the Solona artisanal mining site, trenching, pitting and auger drilling have extended the known gold mineralisation from 300m to a potential 1200m strike length.

Of the 288 artisanal mining pits dug by miners over the years, 55 pits have been selected and channel sampled. 70 auger holes, each to the depth of 21 m have been drilled using a truck mounted drill rig. Best auger holes intersections are 2.45 g/t over 7.5m (true thickness) and 1.49 g/t over 10.5m (true thickness) using 1.5m composite samples.

A 150m trench has been hand dug in order to intersect mineralization to the south of the artisanal mining area. As a result of this work, a 100m wide mineralized corridor has been defined, with values ranging from 0.2 g/t to 5g/t.

The Solona gold mineralisation is also coincident with a very strong potassic anomaly which is a positive indicator of gold mineralization.

- Detailed work – Yanfolila

At the Yanfolila target, channel sampling and auger drilling was completed over the artisanal open pit area. The artisanal open pit is some 50 m long by 10 m wide on the flank of a small lateritic plateau.

Results from channel sampling of the walls of the pits as well as results from the five drilled auger holes show grades up to 3 g/t. Best auger holes intersections were 12m @ 1.04 g/t (true thickness) and 4.5m @ 3.28 g/t (true thickness)

Based on visual observation it appears that the mineralization is related to an intrusive body, and indicates a potential for a pervasive mineralized rock with a bulk tonnage.

## **Kolondieba**

Exploration activities focused on a desk study of previous work on the license in order to allow the definition of a prospective target area for the completion of some ground geophysics.

The completed ground geophysics works included:

- Ground magnetic survey over 7.5 sq km target area defined by field mapping; and
- 0.62 sq. km induced polarization survey, within the same 7.5 sq km target area, with the intent of defining a mineralized zone.

A preliminary interpretation of data suggests that the mineralization area might be related to the contact zone between the sediments and the granitic intrusion. Africa Mining proposes to undertake additional mapping and some pitting activities in the indicated areas.

## **Dandoko**

The Dandoko license was granted in May 2010, toward the end of the field season. Field work will start on the license in November, after the end of the rainy season. It is proposed that geological mapping of the license will be completed by end of the year, with the objective of defining targets for more detail work in 2011.

## **Second Phase Exploration Program**

The second phase of the exploration program will have three main objectives:

- Bring the Solona and Yanfolila gold occurrence on the Yanfolila license to a drilling stage and commence drilling during the second quarter 2011.
- Conduct detailed work on the discovered gold anomalies on the Yanfolila license to bring them to a drilling stage toward the end of 2011
- Conduct regional and semi-regional work on the Kolondieba and Dandoko licenses in order to define targets that can be drilled in early 2012.

The second exploration phase will include geological mapping and geochemical surveys at different scale, reinterpretation of all available data and its integration with newly collected and to be collected data, trenching and drilling. It is anticipated that a budget of C\$4m to C\$5m will be necessary to define the mineral resources on the best targets.

## **Exercise of Option by Compass**

Based on the results of the exploration program, the Board of Compass has exercised its initial option to acquire a 20% shareholding in Africa Mining.

The Company will now proceed to earn a further 31% shareholding in Africa Mining by Compass:

- (1) paying C\$500,000 (in cash or securities) to Africa Mining; and

- (2) funding a further \$1,500,000 exploration program for Africa Mining to acquire a total 51% interest in Africa Mining.

Compass expects the funding for the C\$1,500,000 exploration program to come from the combination of the exercise of existing warrants as well as a future private placement.

Compass will update the market when the formalities associated with the exercise of the option are completed.

Dr. Madani Diallo, a Qualified Person pursuant to National Instrument 43-101, takes responsibility for the technical information contained in this release.

#### 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 an exclusive option to acquire a 51% interest in Africa Mining, which holds an interest in three gold exploration permits (Yanfolila, Dandoko and Kolondieba) covering 634 sq km's (156,664 acres) in key gold producing regions in south west Mali, West Africa. Further information is available at [www.compassoldcorp.com](http://www.compassoldcorp.com).

#### **COMPASS GOLD CORPORATION**

*"James Henderson"*

James Henderson, President

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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 expectations of results, including defining strike lengths on old mineralization at the Solona, Yanfolila and Guendibi targets and the definition of the Solona gold mineralized body are subject to all of the risks and uncertainties normally incident with undertaking mineral exploration in Africa, including but are not limited to technical, operational and environmental risks associated with gold exploration including but not limited to final sampling results and accuracy of technical evaluation and cannot be relied upon until final verified independent results are reviewed by Compass. 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.