



COMPASS GOLD: FIELDWORK CONTINUES ON OUASSADA & SANKARANI PERMITS TO AID BEDROCK DRILLING TARGETING

Toronto, Ontario, July 16, 2018 – **Compass Gold Corp. (TSX-V:CVB) (Compass or the Company)** is pleased to provide an update on ongoing geochemistry and geophysics fieldwork from the priority target areas on the Ouassada and Sankarani exploration permits on its Sikasso Property in Southern Mali.

Highlights

- **Several discrete highly anomalous gold samples identified at Ouassada target area 3 (TA3)**
 - **Anomalies correlate with margins of a late granodiorite intrusion, and a shear zone within the intrusion**
- **A five-line, 18-km-long, induced polarization (IP) study has been completed over the principal target zone (target area 1/TA1) on Ouassada to aid in identifying drilling targets in the principal exploration area**
- **An expedited 95-hole deep soil auger drilling program has been completed over the high-priority Sodala shallow soil gold anomaly on the Sankarani permit**

Compass CEO, Larry Phillips, commented, “Work on our southern Malian property is progressing despite the heavy rains in the region, and we are very pleased with both the results and the progress we are making. These results are invaluable in helping us to refine our next exploration efforts. While TA1 at Ouassada is currently our principle target on the permit – where we have identified a broad zone of gold anomalism over a distance of 12 km located 4 km to the west of TA 3 – we are awaiting the assay results from several other areas on our property. At the same time, we are reviewing the results of our recently completed IP study over TA1, which will aid in determining our bedrock drilling targets there.”

“We have also completed our deep soil auger drilling at the new Sodala anomaly on our Sankarani permit, where shallow soil sampling identified a 2 km-wide area with soil samples containing up to 31.1 g/t gold. We expect that within a few weeks we will have all of the data and results to formulate a deep drilling plan for Ouassada and Sankarani that will include multiple priority targets. Pending results on Kalé may add to the deep drilling target priorities before the end of the rainy season.”

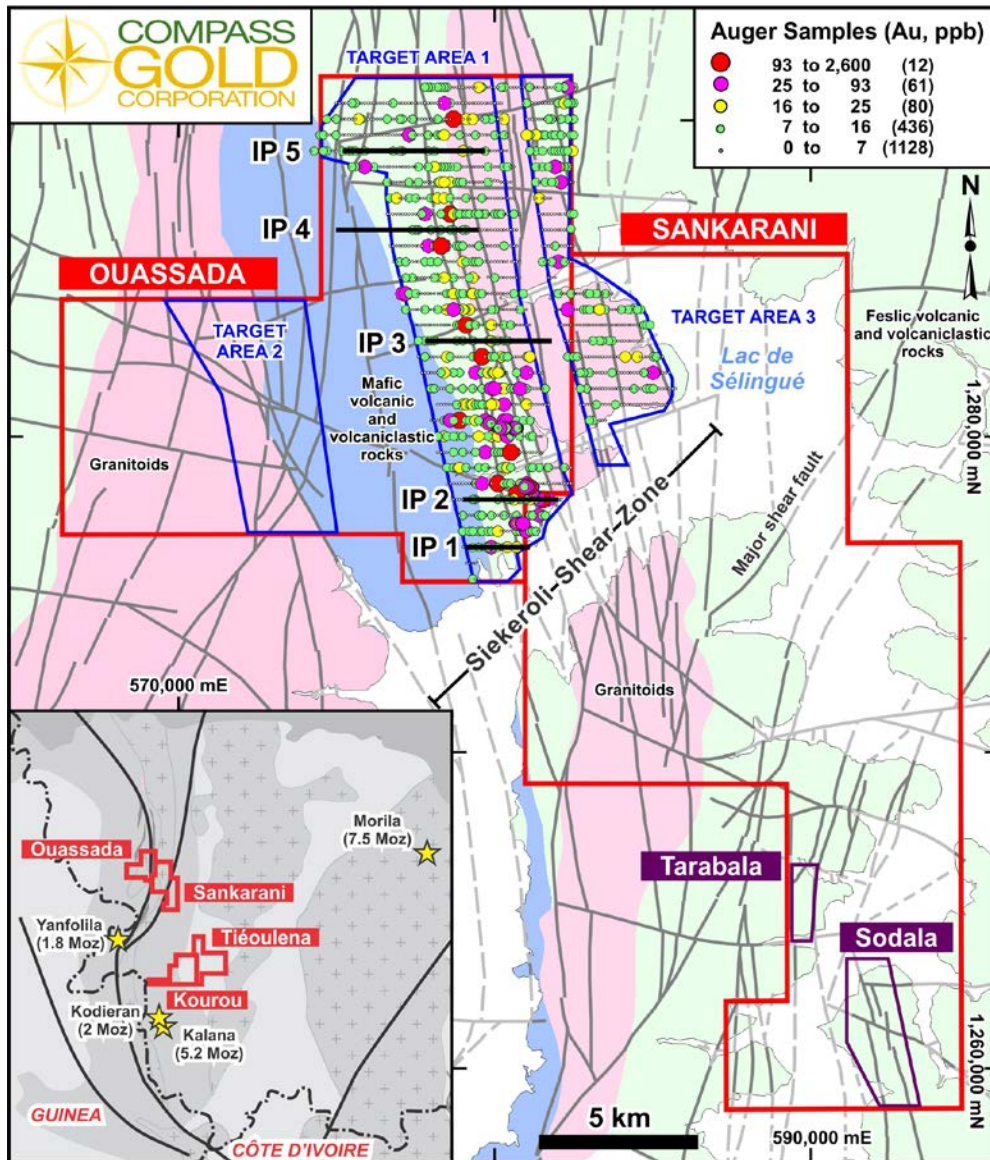
Compass Technical Director, Dr. Sandy Archibald, added, “I am pleased with the exploration progress on our property. Our geological knowledge of the five permits continues to grow daily as we received the results from our field surveys, and our technical team looks forward to using the data to define our Q4 deeper drilling targets. We expect shallow soil gold assay results from our Kalé, Kourou, and Tiélouoléna permits shortly, which we hope will lead to more exploration

activity in addition to our planned work on the preliminary drilling targets we've identified so far at Ouassada and Sankarani."

Deep Soil Auger Sampling

Subsequent to the Company's May 7 progress report relating to deep soil auger sampling on target area 1 on the Ouassada permit, the Company is pleased to report the second results of 392 composite deep soil auger assays, collected in the third of three broad prospective zones predominantly within the Ouassada permit (TAs 1, 2 and 3; TA3 also continues onto the Sankarani permit).

TA1 contained 1,321 sample points, and TA3 contained 392 sample points, the latter including 183 sample points in the Ouassada permit and 209 in the Sankarani permit. The three targets on the Ouassada permit are underlain by Birimian granitoid, and volcanoclastic and volcanic rocks within the Siekeroli Shear Zone. These targets were identified in 2017 by interpreting airborne geophysical data, the presence of an extensive zone of artisanal mining (containing bedrock, vein-hosted, gold mineralization) and the similarity of the geological and structural setting to the Yanfolila gold mine, located 40 km along strike to the southwest (see Figure 1).



Detailed Auger Soil Sampling and Analysis

The 392 auger sample composites were collected over TA3 at depths that varied from 1 to 23 m, with an average depth of 14.4 m. The grid was oriented east-west with a line spacing of 500 m and a sample spacing of 100 m, identical to the location of the shallow soil samples. Some additional infill drilling was also performed close to the artisanal workings. Samples were collected following industry best practices, and an appropriate number and type of certified reference materials (standards) and blanks were inserted to ensure an effective QAQC program was carried out. One metre intervals of soil were collected from the bore holes at the sample site, with the top 3 m, and the bottom 3 m sent to SGS (Bamako) to be dried, split and

composited into 3 m intervals. The top and bottom 3 m composites were then analyzed for gold by fire assay analysis at SGS (Bamako). As expected, the bottom composites typically contained higher gold concentrations from the same locations and are considered to better reflect the presence of bedrock mineralization. Only the deeper composite samples are reported here.

All standard and blank results were reviewed to ensure no failures were detected. Simple statistical analyses were performed on the combined data on TA1 and TA3, to determine the degree of sample anomalism for the bottom 3 m composite. Background values were considered to be 7 ppb Au or less (number (n) = 1127, 308 in TA3), weakly anomalous (7 - 16 ppb Au, n = 434, 72 in TA3), moderately anomalous (16 - 25 ppb Au, n = 79, 6 in TA3), strongly anomalous (25 - 93 ppb, n = 61, 6 in TA3), and extremely anomalous (> 3 standard deviations from the mean, 93 - 2600 ppb Au, n = 12, 0 in TA3). The results are illustrated in the figure above.

Detailed Auger Soil Results

Six samples showed strong gold anomalism (> 25 ppb Au), and it appears that the distribution of these samples corresponds to either the margins of a granitoid, or the location of NNW-trending faults attributed to the Siekeroli Shear Zone. The maximum gold concentration is 61 ppb, and it is likely influenced by the proximity of a stream or the lake. The sites of gold anomalism on target area 3 are sporadic, and generally do not form continuous zones of anomalism, with the exception of two highly anomalous samples on the eastern margin of the granitoid. It is apparent that gold anomalism on the Ouassada (and Sankarani) permit areas appears to correlate strongly with the presence of a felsic volcanoclastic unit that has been cut by the Siekeroli Shear Zone, rather than a granitoid. Ground investigations will be performed in the immediate vicinity of these six highly-anomalous samples to determine the cause of an anomalism.

IP Survey at Ouassada (TA1)

A five-line, 18-km-long induced polarization (IP) survey over TA1 (see Figure 1 above) at Ouassada has been completed, and the field team is being demobilized. The data are now being analyzed, and will be reported once completed. The purpose of the study was to help identify the location of faults and potentially mineralized zones that will be followed up by bedrock drilling in Q4.

Deep auger drilling at Sodala anomaly (Sankarani permit)

An expedited 95-hole deep auger drilling program (totaling 966 m) has also been completed over the Sodala shallow soil gold anomaly on the Sankarani permit (Figure 1). The samples have been sent to SGS (Bamako) for preparation and assaying. Heavy rains are persisting, but the field teams have moved onto Tarabala, the second priority target at Sankarani. If results are successful, it is anticipated that bedrock drilling will be performed at Sodala in Q4, after the Ouassada targets are tested in Q3.

Summary

The results for the deep soil auger sampling program from TA3 at Ouassada have demonstrated that gold anomalism tends to be found in areas underlain by felsic volcanoclastic and volcanic rocks cut by crustal scale faults, rather than faults that cut later granitoids. A ground IP geophysics survey over TA1 is now complete, and the results will be used in conjunction with the previously reported deep auger soil geochemistry at Ouassada to identify suitable bedrock drilling targets within the volcanoclastic-dominated parts of the Siekeroli Shear Zone of the Yanfolila gold belt.

About Compass Gold Corp.

Compass, a public company having been incorporated into Ontario, is a Tier 2 issuer on the TSX-V. Through the recent acquisition of MGE and Malian subsidiaries, Compass holds gold exploration permits located in Mali that comprise the Sikasso Property. The exploration permits are located in three sites in southern Mali with a combined land holding of 1,179 km². The Sikasso Property is located in the same region as several other multi-million ounce gold projects, including Morila, Syama, Kalana and Kodieran. The Company’s Mali-based technical team, led in the field by Dr. Diallo and under the supervision of Dr. Sandy Archibald, P.Geo, is initiating a new exploration program. They are examining the first of numerous anomalies noted for further investigation in Dr. Archibald’s August 2017 “National Instrument 43-101 Technical Report on the Sikasso Property, Southern Mali.

Qualified Person

This news release has been reviewed and approved by Dr. Sandy Archibald, P.Geo, Compass’s Technical Director, who is the Qualified Person for the technical information in this news release under National Instrument 43-101 standards.

Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws, including statements regarding the Company’s planned exploration work and management appointments. Readers are cautioned not to place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by such information. The statements in this news release are made as of the date hereof. The Company undertakes no obligation to update forward-looking information except as required by applicable law.

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