Compass Gold: Soil Geochemical Survey Identifies Numerous Gold Anomalies Coincident With Crustal-Scale Faults on Kourou Permit

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TORONTO, Oct. 09, 2018 - Compass Gold Corp. (TSX-V:CVB) (Compass or the Company) is pleased to provide an update on the now completed priority shallow soil geochemical survey program over the Kourou and Tiélouléna exploration permits on its Sikasso Property in Southern Mali.

Location of the shallow soil samples reported in this release. Soil anomalies greater than 100 ppb Au are labeled.

Location of shallow soil sample anomalies (numbered 1-12) and their relationship to crustal scale faults. T background image shows the gridded, high-resolution, airborne magnetics study results (total magnetic intensity).

Highlights

- Twelve discrete gold anomalies were identified on Kourou permit along strike lengths up to 5 km
- Highest soil sample contained 1.38 grams per tonne (g/t) gold (Au)
- Fourteen soil samples contained more than 0.1 g/t Au (100 ppb)
- A total of 4,597 shallow soil samples were collected on the Kourou and Tiélouléna permits, where 689 shallow soil samples returned above the 5 parts per billion (ppb) limit of detection
- Mineralization is coincident with deep linear structures, interpreted as faults, from a remote sensing study

Compass CEO, Larry Phillips, commented, “We are pleased to report the results from our initial shallow soil program on Kourou, where we have identified twelve linear anomalies over the length of the permit. Most of the anomalies correspond with interpreted faults. This includes a 2-km anomaly associated with artisanal workings that contained up to 5.04 g/t gold from grab samples. Again, these initial results give us confidence that we are following the right exploration plan in an area that has been shown to contain several, rich gold mines. Meanwhile, we are anxious to continue our work on these two permits once the rains abate. At the same time, we will be initiating the first bedrock drilling program on our Ouassada permit targets, which are located approximately 50 km northwest of Kourou and Tiélouléna.”

Kourou and Tiélouléna

This latest program included 4,597 shallow soil samples collected over the Kourou and Tiélouléna permits (Figure 1). Both permits lie to the east of and within 45 km the Yanfolila Belt, a terrane boundary cut by the Siekerole Shear Zone, which hosts several gold mines, including Kalana (2.0 Moz Au), Kodiéran (1.9 Moz Au) and Yanfolila (2.5 Moz Au). Previous exploration on both permits has been minimal, and no drilling has ever taken place.

A photo accompanying this announcement is available at
http://www.globenewswire.com/NewsRoom/AttachmentNg/0e90849c-ce50-4336-a06e-8fa6142c7727

Detailed Shallow Soil Results

The 4,597 shallow samples were collected from a depth of approximately 0.4 m over 61% of the Kourou permit and 23% of the Tiélouléna permit on an east-west grid with a line spacing of 500 m and a sample spacing of 100 m. The sample locations represent targets identified by Compass geologists, and areas identified during a remote sensing study by Murphy Geological Services (*see Compass press release dated May 28, 2018*).

The figure above illustrates the location of the samples and their anomalism in each permit. As well as linear anomalies, there are several discrete anomalies with single point samples, generally greater than 100 ppb Au. In Mali, soil samples greater than approximately 10 ppb Au are considered anomalous, and typically warrant further investigation. Linear anomalies are restricted to the Kourou permit, where a total of 12 zones are identified (Figure 2).

A photo accompanying this announcement is available at
http://www.globenewswire.com/NewsRoom/AttachmentNg/c1d8d54e-a2d5-42cc-b597-2848389f66a5

The anomalous zones vary in length from 1 to 5 km. Generally, the anomalies have north-northeast trends, but three anomalies have northwest trends. Some areas are defined by three-point anomalies, which suggests zones up to 150 m wide. The highest recorded gold sample assayed beyond the limit of detection for the method (10,000 ppb Au, or 10 g/t Au) and was located as an isolated anomaly at the extreme south of the Kourou permit, south of the 2-km long anomaly 12. The second highest sample was 1.38 g/t Au, and it does not appear to be closely related to any geological structures, and is not within a water course. The location of the anomalies generally corresponds to interpreted deep crustal-scale faults.

Two anomalies are related to known gold workings. Anomaly 1 (see Figure 2) is located at Kossèrèfila, where a 200-m long and 100-m wide zone of auriferous eluvial is currently being worked by artisanal miners. Grab samples by Compass geologists collected at this location in 2017 returned gold assays of up to 5.04 g/t Au, and an independent assay collected for the NI 43-101 report* contained 0.4 g/t Au, from a depth of 0.4 m. Shallow soil samples collected 100 m to the south of the workings contained 12 ppb Au, and 500 m away, a sample with 141 ppb was present. One kilometre further south, along the same structure as Kossèrèfila, a sample contained 886 ppb Au (or 0.886 g/t Au). Anomaly 2 includes a 65 ppb Au shallow soil sample, and is present on a 1- km long northeast-trending anomaly. This anomaly located 150 m to the northeast of historic eluvial (soil) workings at Samagouéla.

Anomaly 8, the longest one identified, is present over 5 km. Anomalous gold grades defining the anomaly range from 26 to 76 ppb Au. The anomaly appears to parallel a crustal-scale lineament (fault) identified in the remote sensing study. All of the anomalies appear to be narrow, less than 200 m wide, and in-fill sampling will help to better define their dimensions.

Several isolated gold soil anomalies containing gold greater than 100 ppb are present on the permits (Figure 1). Additional sampling is planned over these areas to determine the extent of mineralization.

Tiélouléna Shallow Soil Sampling

A total of 1,197 shallow soil samples were collected on the Tiélouléna permit (Figure 1) on areas considered to be a priority based on previous geological mapping generated by the MGS remote sensing study. Anomalism on the permit was much weaker than Kourou, which was expected since the geology is dominated by sedimentary lithologies, rather than the more prospective Birimian volcaniclastic rocks occurring to the west. The highest gold assay recorded was 205 ppb, and was located in a stream bed, suggesting reworking and a subsequent increase in gold grade. No clearly defined linear anomalies were identified on the permit.

Geology

Kourou and Tiélouléna are underlain by Paleoproterozoic Birimian volcanic, volcaniclastic, and sedimentary rocks, which have been deformed and intruded by granitoids during orogenesis. They lie to the east of the Yanfolila Belt, a terrane boundary characterized by deformation caused by the transpressional Siekerole Shear Zone, which hosts several gold mines, including Kalana (2.0 Moz Au; Endeavour Mining), Kodiéran (1.9 Moz Au; Wassoul'Or S.A.) and Yanfolila (2.5 Moz Au; Hummingbird Resources).

Next Steps

The results of the initial shallow soil sampling program on Kourou are highly encouraging but require additional work to confirm the continuity of gold anomalism between the sampling lines and between samples. The current spacing (500 m line spacing with samples collected every 100 m) will be reduced to 100 m lines and samples collected at 50 m intervals. This will quickly identity areas that can be investigated through the use of a deep soil auger sampling, with penetration depths averaging 12 m. This sampling will be a priority on anomaly 1 due to the presence of near surface gold (5.04 g/t).

Regional shallow soil sampling will resume on both Kourou and Tiélouléna to fully test the gold potential of both permits. The line spacing for this grid will be 500 m, and a sample spacing of 100 m. Both programs can be done relatively quickly after the current rainy season, once weather and ground conditions are more favourable.

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 km^2. The Sikasso Property is located in the same region as several other multi-million ounce gold projects, including Morila, Syama, Kalana and Kodiéran. The Company’s Mali-based technical team, led in the field by Dr. Madani 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.”

QAQC

All 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. The samples were prepared at ALS Mali SARL (Bamako, Mali) then transported to ALS Johannesburg (RSA) to be analyzed by fire assay analysis. All standard and blank results were reviewed to ensure no failures were detected.

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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