

Compass Updates Initial Small Mine Development Plans for Wide High-Grade Mineralized Zone at Massala

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Discussions Underway with Potential Investors and Operations Partnerships

Toronto, February 5, 2024 - [Compass Gold Corp.](#) (TSXV: CVB) (Compass or the Company) is pleased to report to shareholders on the progress the Company has made since announcing the encouraging assay results from the initial trenches completed at Massala in September, which intercepted 20 m at 4.13 grams per tonne (g/t) gold (Au), including 4 m @ 19.19 g/t Au in Trench MATR001 (see Figure 2).

HIGHLIGHTS:

Technical Work:

- Nine new trenches completed at Massala (11 total to date).
 - More than 2,000 new samples being collected for assaying.
- Developed a comprehensive model that validates the robust economics of a Small Mine scenario at Massala and Tarabala.
- Planning further assaying, metallurgy and resource estimate work.

Corporate Development:

- Key partners have been identified to build, deliver, and commission a processing facility of up to 50-tonnes-per-hour and to procure, install, and operate all additional facilities and infrastructure.
- Discussions with potential financing partners are ongoing.
- A Small Mine Exploitation Permit application is being prepared for submission under the new Malian Mining Code and the pending Decree regarding Small Mining operations.

Compass CEO, Larry Phillips, said, "Our team has made excellent progress in providing the specific data required to plan and develop a small mining operation commencing at the near-surface high-grade gold mineralization zone identified at Massala. The completion of assaying the latest trench samples and preparation of an initial National Instrument 43-101 resource at Massala are critical next steps in the application process, which is anticipated to be completed within the next three months. In the meantime, our discussions and reviews of the small mine model with construction and operating partners having extensive African small mining experience have supported our proposed small mine scenario and the economic potential of the Massala and Tarabala gold resource areas.

"With this data in hand, we are in a position to advance our discussions regarding the financing required to complete this development and commence profitable gold production. As I've previously noted, this opportunity to generate annual reoccurring cash flow from such near-surface mines will provide the necessary funding for ongoing operating expenses as well for exploration expenditures for the future deeper drilling needed to achieve our long-standing goal of developing a much larger, open-pittable gold resource."

Dr. Madani Diallo, Director and Country Manager, added, "Our trenching and assay results reported in September confirmed and exceeded our objectives of returning grades of at least 0.8 grams per tonne gold over widths that we consider to be mineable in a near-surface mining operation. Our recent trenching at Massala continues to be extremely encouraging, with higher-grade intersections indicating that the first small mining operation could be located at the northern end of the Tarabala trend. We are confident that a small

mining facility in this area could profitably produce gold through simple excavation down to a depth of 20 metres while retaining the full potential for a large open pit mine as indicated by our positive deeper drilling results."

Field Work:

Nine new trenches have been excavated at 25-metre intervals at Massala, which is part of a 14- km long zone of mineralization that follows the Tarabala Fault (Figures 1, 2 and 3), including three trenches to the north of MATR001 and six to the south.

More than 2,000 channel samples are being collected from these new trenches and are being prepared for assaying in accordance with the protocols established by an independent Canadian resource geologist who would be responsible for performing an NI 43-101-compliant resource estimation. This initial resource estimation and accompanying technical report is required for the formal application for a Small Mine Exploitation Permit under the pending new Malian Mining Code Decree.

The cost to complete the sample collection, assay results, and resource estimate, inclusive of overhead costs, is approximately CDN\$300,000. Compass is planning to complete these tasks by the end of April 2024. Once these tasks are completed, subject to financing, Compass will finalize the mining equipment to be purchased and activate the related civil work and planning for the development of the small mine operations.

As previously reported (see Compass news release dated September 13, 2023), four earlier trenches were dug along a total trend length of more than 3.5 kilometres to show that near-surface mineralization is consistent with the previous drilling results along the Tarabala Trend at the Tarabala and Massala prospects, and extend to depths of at least 80 to 100 metres.

To identify the strongest mineralized zones, these initial four trenches were dug more than 400 metres apart. To improve confidence in the continuity of the mineralization for the resource estimation, additional trenches at 25-metre spacings are required.

The high-grade results from trench MATR001, averaging 4.13 g/t Au over a length of 20 metres, led to a focus on a strike length of 200 metres adjacent to this trench as the target of an initial resource.

Figure 1: Location of Tarabala and Massala prospects where trenching was completed. Additional artisanal workings along the Tarabala and Moribala faults are also displayed.

To view an enhanced version of Figure 1, please visit:

https://images.newsfilecorp.com/files/1861/196735_84d52f8674bc6a26_001full.jpg

Figure 2: Map showing the location of the completed trenches at the Tarabala and Massala prospects.

To view an enhanced version of Figure 2, please visit:

https://images.newsfilecorp.com/files/1861/196735_84d52f8674bc6a26_002full.jpg

Figure 3: Sampling at a depth of 4 m at Massala.

To view an enhanced version of Figure 3, please visit:

https://images.newsfilecorp.com/files/1861/196735_84d52f8674bc6a26_003full.jpg

Economic Modelling:

In addition to the trenching and sampling work completed and ongoing in the field, the Company's technical team is incorporating data and third-party estimates into a comprehensive model, which validates the robust economics of a Small Mine scenario at Massala and Tarabala.

Preliminary modelling indicates:

- Modest all-in capital cost of approximately US\$4.5M.
- Repayment of capital expected to be completed in less than one year.
- Accelerated time for building, delivering and commissioning all plant and mine site facilities within approximately eight months of initial capital advances.
- Operating costs on a cash basis range from US\$725 (worst case) to US\$400 (best case) per ounce, depending on production cost assumptions.
- Free cash flow in year one after repayment of all capital and interest.
- Total projected after-tax cash flow from the first four years of operation=US\$19.5M, which includes repayment of capita costs.
- Favourable tax deductions and exemptions (e.g. exploration expenses, accelerated depreciation on capital).

New Malian Mining Code:

Following the formation of a new government in Mali in 2020, a new Mining Code was adopted in August 2023, replacing the previous regulations, which had been in effect since 2019. An amendment is being proposed to the recently adopted code, which is expected to delineate the precise terms and provisions applicable to a Small Mining permit in Mali and publicly issued as an official Decree. The terms of the Small Mining Decree are being finalized by the Mines Ministry in consultation with representatives of the Mining Industry. A final Decree is expected to be issued in the coming months, which will allow for formal applications, including by the Company, to be submitted.

The remaining assay work and other materials for submitting the Company's Small Mine Exploitation permit application are scheduled to be completed over the next three months and costs to complete it are projected to be approximately Cdn\$300,000, which covers corporate and Malian overhead over this period.

Corporate Development:

While awaiting the Malian Mining Ministry's decision to confirm the applicable terms, the Company is continuing discussions with various parties regarding the financing of the remaining costs of obtaining a Small Mine Exploitation Permit and the capital costs required to construct and commission all the facilities needed to commence gold production at Massala and Tarabala.

In the meantime, the Company has identified APT of South Africa as the best partner to design, construct and deliver a processing facility at a reasonable price. This would consist of proven technology that can meet the through-put objectives of up to 200k-tonnes per year with a modular portable plant.

Also, as part of that process, the Company has entered into a Memorandum of Understanding with South African-based Stelo Group, which has extensive experience in developing, commissioning, and operating small open pit mines in Mali and other regions of Africa.

About Compass Gold Corp.

Compass, a public company having been incorporated into Ontario, is a Tier 2 issuer on the TSX- V. Through the 2017 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 1,173 sq. km. The Sikasso Property is located in the same region as several multi-million-ounce gold projects, including Morila, Syama, Kalana and Komana. 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 conducting the current exploration program. They are examining numerous anomalies first noted 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 EurGeol. Dr. Sandy Archibald, P.Geo, Compass's

Technical Director, 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 statements" within the meaning of applicable securities laws, including statements regarding: details concerning the construction of a processing facility to commence Small Mine operations at Massala and the procurement, installation, and operation of additional related facilities and infrastructure; discussions with potential financing partners with respect to the development and commencement of gold production under the Company's proposed Small Mine scenario; details concerning the comprehensive model prepared by the Company, which validates the economics of a Small Mine scenario at Massala and Tarabala; changes to the Malian Mining Code adopted in August 2023 and the issuance of necessary permits required for the commencement of Small Mine operations; costs associated with obtaining necessary permits for proposed Small Mine operations and the capital costs required to construct and commission all the facilities needed to commence gold production at Massala and Tarabala; and the Company's ultimate goal of developing a much larger, open-pit gold resource. Words such as "may", "would", "could", "should", "will", "anticipate", "believe", "plan", "expect", "intend", "potential" and similar expressions may be used to identify these forward-looking statements although not all forward-looking statements contain such words.

Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including those risk factors set forth in the Company's management's discussion and analysis and other filings available via the System for Electronic Document Analysis and Retrieval (SEDAR) under the Company's profile at www.sedarplus.ca. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by this press release. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. These forward-looking statements are made as of the date of this press release and, other than as required by law, the Company does not intend to or assume any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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