

OSPREY GOLD DEVELOPMENT LTD.

NEWS RELEASE

FIRST RESULTS FROM CARIBOU TRENCHING PROGRAM INCLUDE ARGILLITE INTERCEPT RETURNING 8.0 METERS OF 1.2 G/T GOLD AT SURFACE

TSXV– OS

VANCOUVER, August 22, 2018. OSPREY GOLD DEVELOPMENT LTD. (the “Company” or “Osprey”) (TSXV: OS, OTCQB: OSSPF) is pleased to provide initial results from its ongoing exploration programs at the Caribou Gold Project (“Caribou”) in Nova Scotia, Canada. Caribou is located approximately 80 kilometres (“km”) northeast of the city of Halifax, Nova Scotia, and 8 km north of Atlantic Gold’s Moose River Consolidated mill site. These first results demonstrate support for the Company’s geologic thesis that Caribou contains significant disseminated gold zones starting at surface.

Key Points:

- Channel sampling from trench 18ELK-01 at the Elk Zone, in the northwest portion of the property, has returned 8.0 meters (“m”) of 1.2 grams per tonne gold (“g/t Au”) within a broader intercept of 24.7 m of 0.7 g/t Au.
- The trench terminated in mineralization and remains open to the north and south.
- The Company plans to extend this trench in both directions and has proposed an additional trench along strike approximately 75 m to the east.
- The Company is currently trenching and channel sampling at the Caffery Zone (trench “18Caf-01”), located approximately 1 km south of the Elk Zone on the south limb of the property’s main structure, the Caribou-Cochrane Hill anticline. This zone was one of the earliest areas mined on the property historically; however, it saw less overall production than several other significant zones and shafts.
- In addition to trenching, Osprey has sampled and is re-assaying two historic drill holes from the Caffery Zone of the property. Results from these two holes, and the five holes previously sampled (see [News Release dated June 21, 2018](#)) will be reported as they become available.

See accompanying map for trench locations and visit the Company’s website at www.ospreygold.com for more information.

“These first results are a great step toward proving our geologic thesis that Caribou contains significant disseminated gold zones starting at surface, where mineralization is present outside the quartz veins within the host argillites and greywackes,” said Company President Cooper Quinn. “While Osprey is pleased to have defined high grade resources at its Goldenville project and historic high-grade mineralization on other projects, including Caribou, the successful extraction of disseminated gold zones via open pit mining is what has really reinvigorated the Nova Scotia gold camp, led by Atlantic Gold at its nearby Moose River Consolidated operation. These initial trench results from Caribou provide an early “proof of concept” for our team to expand this program. We’re looking forward to testing for the potential expansion of this mineralization with additional trenching and channel sampling at Caribou to develop these targets for drilling.”

In addition to trenching work, Osprey has sampled and is re-assaying two historic drill holes from the Caffery Zone of the property. These holes had previously only been sampled where mineralized quartz veins had been present, Osprey has now sampled broader intervals of host sediments where previously overlooked mineralized argillites may be present. These two holes, and the five holes previously sampled by the Company (see [News Release dated June 21, 2018](#)) have been sent to the lab for analysis and results will be reported as they become available.

Work underway at Caribou, including sampling of historic core, and the ongoing trenching and channel sampling programs are a critical first step to determining Caribou’s potential to host significant zones of potentially bulk mineable, open-pit extractable, gold mineralization in a cost-effective way. The results of this analysis will help the Company fully develop drill targets on the project, and test for disseminated mineralization within the host sediments suggested in historic reports and data. Previous exploration at Caribou, like much of the Meguma Terrane, was focused on high-grade vein-hosted gold, dismissing potentially mineralized surrounding host rocks. Recent exploration successes by other operators in the trend focus on disseminated, bulk mineable zones that encompass both higher grade veins and disseminated gold in the surrounding sediments (chiefly argillite).

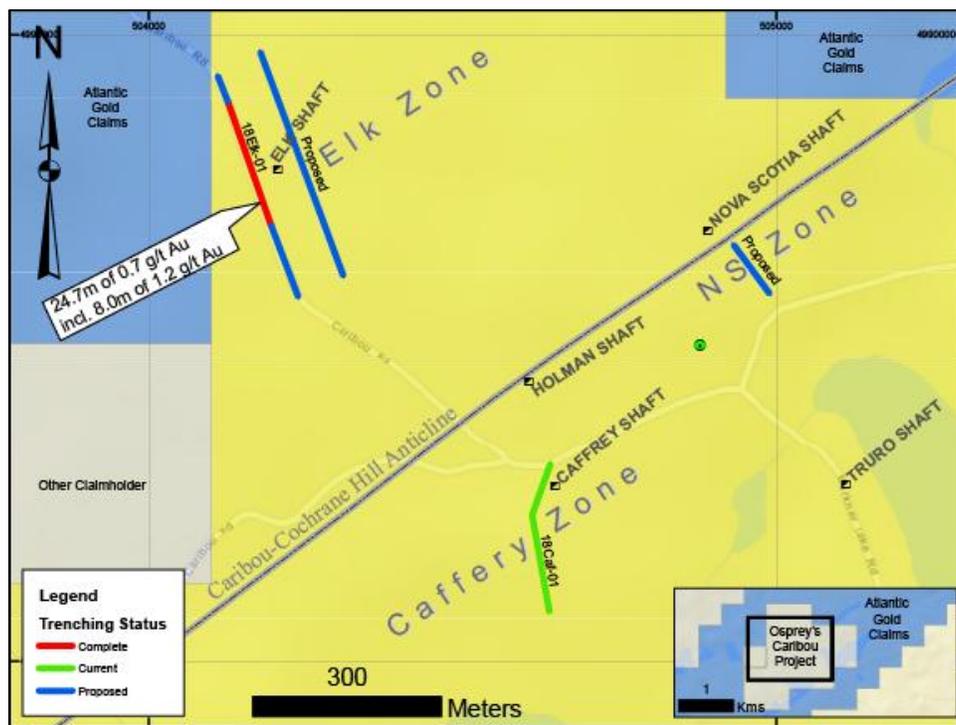


Figure 1 - Caribou Project overview, showing the location of current trenching as well as major shaft locations, and the Caribou-Cochrane Hill Anticline.

About the Caribou Property

- Strategically located, 8 km north of Atlantic Gold’s Touquoy Mine and Moose River Consolidated mill site and surrounded by Atlantic Gold claim holdings;
- Historic drill results in stockwork zones include 11.2 m grading 10.86 g/t Au in Hole CM-98-01 and 9.8 m grading 12.2 g/t Au in Hole SB-88-11;

- Project area includes broad areas of Halifax Group argillites, which overlie the quartzite/ argillite Goldenville Group, host rock for gold bearing quartz veining, and are largely unexplored at Caribou;
- Reported past production of over 100,000 gold ounces between 1869 and 1955, as reported in a historical technical report prepared for Scorpio Gold Corporation by Guy Mac Gillivray, P.Geol. of W.G. Shaw and Associates Limited in a report dated October 8, 2008 (the “Historical Report”);
- An inferred historic resource of 94,763 ounces of gold in 350,305 tonnes grading 8.81 g/t Au, uncut (the “Historic Estimate”); and
- Using a grade cap for gold of 47.0 g/t Au (to compensate for nugget effect) the Historical Estimate for the Caribou Gold Property is 350,305 tonnes grading 5.83 g/t Au, or 67,425 ounces of gold;

The reader is cautioned that a qualified person has not done sufficient work to classify this Historical Estimate as current resources and Osprey is not treating this Historical Estimate as a current mineral resource. While this estimate was prepared in accordance with National Instrument 43-101 and the “Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves Definition Guidelines” in effect at the time, there is no guarantee that it would be consistent with current standards and it should not be regarded as consistent with current standards. The Historical Estimate is relevant to obtain a reference to mineral potential present on the property. The Company has not undertaken any verification of the historical data upon which the historical estimates are based on.

About Goldenville and Osprey

Osprey is focused on exploring five historically producing gold properties in Nova Scotia, Canada. Osprey has the option to earn 100% (subject to certain royalties) in all five properties, including the Goldenville Gold Project, Nova Scotia’s largest historic gold producer. Goldenville hosts a current NI 43-101 Inferred Resource of 2,800,000 tonnes at 3.20 g/t gold for 288,000 ounces of gold (2,800,000 tonnes at 4.96 g/t gold for 447,000 ounces of gold uncapped) near the town of Sherbrooke, NS. All five properties in Osprey’s current portfolio have a history of high-grade gold production. A copy of the Company’s technical report titled “Technical Report on the Goldenville Property, Guysborough County, Nova Scotia Canada” prepared by David G. Thomas, M.Sc., P. Geo. and Neil Pettigrew, M.Sc., P. Geo. is available under the Company’s profile at www.sedar.com.

A Quality Control/Quality Assurance program, including the insertion of Standards and Blanks, has been implemented. The 2018 exploration program on the Company’s properties is performed under the supervision of Perry MacKinnon, P.Geol, Vice-President of Exploration of Osprey Gold Development Ltd. and a ‘Qualified Person’ under NI 43-101. Mr. MacKinnon has reviewed and approved the technical content of this release.

Additional information regarding Osprey and the Goldenville property is available under the Company’s profile at www.sedar.com and at www.ospreygold.com.

For further information please contact:

ON BEHALF OF OSPREY GOLD DEVELOPMENT LTD.,

"Cooper Quinn"

Cooper Quinn, President and Director

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