

COMPASS GOLD CORPORATION
(An Exploration Stage Company)

MANAGEMENT DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2017

This Management's Discussion and Analysis ("MD&A") is an overview of the activities of Compass Gold Corporation ("Compass" or the "Company" or the "Group") and its subsidiaries for the nine months ended September 30, 2017 and describes the Company's business operations through to the date of this MD&A. The MD&A should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2016 and the notes attached thereto ("Audited Financial Statements") as well as the condensed consolidated interim financial statements for the nine months ended September 30, 2017 ("Financial Statements"). The effective date of this MD&A is November 29, 2017.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company does not assume the obligation to update any forward-looking statement, except as required by applicable law.

Management is responsible for the presentation and integrity of the Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and accompanying MD&A, is complete and reliable. The Company's board of directors (the "Board") follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management regularly to review the financial statements and the MD&A, and to discuss other financial, operating and internal control matters.

All figures are reported in Canadian dollars ("\$\$") unless otherwise stated.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

1. SUMMARY OF ACTIVITIES AND DESCRIPTION OF BUSINESS

Compass is a public company incorporated under the laws of Alberta and continued into British Columbia. Compass is classified as a mineral exploration company. The Company's continuing operations are dependent upon its ability to either secure additional equity capital or generate consistent cash flow from operations in the future.

During the nine months ended September 30, 2017, the Company undertook the following activities:

Acquisition of Mali Gold Exploration

On August 23, 2017, the Company announced that a share exchange agreement had been signed for the Company to acquire the Sikasso gold assets located in Mali, West Africa owned by Mali Gold Exploration Pty Ltd ("MGE") ("Proposed Acquisition"). The work undertaken by the Company during and subsequent to the end of the quarter related to all the activities required to complete the Proposed Acquisition.

Subsequent events

On November 29, 2017, the Company completed the Proposed Acquisition ("Transaction"). The Transaction comprised the following:

- (i) the acquisition of all the issued and outstanding shares of MGE in exchange for the issue of 12,000,000 Post-Consolidation Shares (as defined below) in the Company ("Acquisition");
- (ii) the consolidation of the Company's shares on the basis of one new share for every five existing shares held (each new share referred to herein as a "Post-Consolidation Share") ("the Consolidation");
- (iii) the completion of a non-brokered private placement of Units to raise gross proceeds of \$6,000,000 at a purchase price of \$0.50 per Unit ("Financing").
- (iv) The appointment of Larry Phillips as President and Chief Executive Officer of the Company;
- (v) The resignation of Malcom Carson and Lara Iacusso from the Board of the Company and the appointment of Bill Pugliese and Joe Conway as Directors; and
- (vi) Shareholder approval was obtained for the Company to be continued into Ontario and the Company is finalizing this process.

Each Unit issued in the Financing comprised one common share of the Company and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.75 per share and has an expiry date of November 29, 2020. Proceeds are to be used for exploration of the Sikasso property and for working capital purposes;

In connection with the Financing, the Company paid cash Finders Fees and reserved for issuance a total of 536,849 compensation options ("the Compensation Options") to eligible finders. Each Compensation Option entitles the holder to purchase one Unit in the Company at an issue price of \$0.50 until November 29, 2019. Upon exercise, the Company will issue one common share of the Company and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.75 per share and has an expiry date of November 29, 2020

In connection with the Transaction, the Company also issued 200,000 Units to its financial advisor. The Units have the same terms as the Financing.

2. FINANCIAL SUMMARY

Quarter ended September 30, 2017 compared with the quarter ended September 30, 2016

During the quarter ended September 30, 2017, the Group incurred a loss of \$155,645 (September 2016 – \$7,676) representing the normal operational expenditures for an exploration company of the size and intentions of the Group. The loss for the quarter is higher than the previous quarter in 2016 as a result of the corporate activities undertaken during the quarter. In particular, during 2016, the Company was largely inactive, however during the 2017 quarter, the Company was undertaking various activities in connection with the Transaction.

General and administrative expenses for the three months ended September 30, 2017 were \$155,645 (September 2016 – \$7,676) and consisted of, consulting fees of \$42,281 (September 2016 – \$3,000), directors fees of \$60,000 (September 2016 - \$Nil), interest and bank charges of \$203 (September 2016 - \$Nil), listing and registration fees of \$9,555 (September 2016 - \$1,902), professional fees of \$34,664

(September 2016 – \$1,200, administration and other costs of \$2,014 (September 2016 - \$1,574), rent of \$2,900 (September 2016 - \$Nil) and travel expense of \$4,028 (September 2016 - \$Nil).

The higher expenses relating to consulting fees, directors' fees, listing and registration fees, professional fees and travel expenses relate to the corporate activities undertaken including the costs associated with the Transaction.

Nine months ended September 30, 2017 compared with the nine months ended September 30, 2016

During the nine months ended September 30, 2017, the Group incurred a loss of \$267,349 (September 2016 – \$35,637) representing the normal operational expenditures for an exploration company of the size and intentions of the Group. The loss for the nine months ended September 30, 2017 is substantially higher than the loss for the nine months ended September 30, 2016 as a result of the corporate activities undertaken during the nine months (particularly in the current and previous quarters). These activities largely related to the costs associated with the Transaction, including the Acquisition, Financing and related activities. During the 2016 year, the Company was largely inactive.

General and administrative expenses for the nine months ended September 30, 2017 were \$267,349 (September 2016– \$35,637) and consisted of consulting fees of \$100,574 (September 2016 - \$9,000), directors fees of \$60,000 (September 2016 - \$Nil), foreign exchange loss of \$449 (September 2016 –\$Nil), insurance of \$6,242 (September 2016 - \$7,518), interest and bank charges of \$2,265 (September 2016 - \$785), listing and registration fees of \$16,999 (September 2016 - \$9,887), professional fees of \$49,817 (September 2016 – \$3,380), administration and other costs of \$4,602 (September 2016 - \$5,067), rent of \$2,900 (September 2016 - \$Nil) and travel expense of \$23,501 (September 2016 - \$Nil).

The higher expenses relating to consulting fees, directors' fees, listing and registration fees, professional fees and travel expenses relate to the corporate activities undertaken including the costs associated with the Transaction.

Most other expenses are consistent with the prior period.

3. SELECTED ANNUAL FINANCIAL INFORMATION

The following tables provide a summary of the Company's financial operations. For more detailed information, refer to the Financial Statements.

Summary of Annual Results	9 months ended Sept 30 2017 \$	Year ended Dec 31 2016 \$	Year ended Dec 31 2015 \$
Net Sales or total revenues	Nil	Nil	Nil
Loss	(267,349)	(62,726)	(82,495)
Loss per share – basic and diluted (based on the weighted average of common shares outstanding for the year or period)	(0.03)	(0.02)	(0.02)
Total assets	249,056	3,408	2,355
Total current liabilities	69,495	121,248	55,470
Total current liabilities, excluding borrowings due to related party	69,495	58,790	40,338
Total non-current liabilities	Nil	Nil	Nil
Cash dividends declared per-share for each class of share	Nil	Nil	Nil

Summary of Quarterly Results	Quarter ended 2017, Sep 30 \$	Quarter ended 2017, Jun 30 \$	Quarter ended 2017, Mar 31 \$	Quarter ended 2016, Dec 31 \$
Total Revenues	Nil	Nil	Nil	Nil
Loss	(155,645)	(102,783)	(8,920)	(29,089)
Loss per share – basic and diluted (based on the weighted average of common shares outstanding for the period)	(0.01)	(0.01)	(0.01)	(0.01)

Summary of Quarterly Results	Quarter ended 2016, Sep 30 \$	Quarter ended 2016, Jun 30 \$	Quarter ended 2016, Mar 31 \$	Quarter ended 2013, Dec 31 \$
Total Revenues	Nil	Nil	Nil	Nil
Loss	(7,676)	(19,613)	(8,348)	(27,245)
Loss per share – basic and diluted (based on the weighted average of common shares outstanding for the period)	(0.00)	(0.01)	(0.00)	(0.01)

4. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

As the Company has no revenue from operations in any of its last two financial quarters, the following is a breakdown of the material costs incurred:

	Nine months ended Sep 30, 2017 \$	Year ended Dec 31, 2016 \$	Years ended Dec 31, 2015 \$
Exploration and Development Costs, <i>cash payments, net</i>	Nil	Nil	Nil
Purchase of Property, plant and equipment	Nil	Nil	Nil
General and Administrative Expenses	267,349	64,726	54,741
Any Material Costs (capitalized, deferred or expensed) not referred to above.	Nil	Nil	Nil

5. DISCLOSURE OF OUTSTANDING SHARE CAPITAL

Information on the Company's share capital, including numbers of shares outstanding, details of any conversion features and the number of common shares issuable on conversion of stock options and common share purchase warrants, are detailed in the Financial Statements. The number of common shares outstanding as of the date of this report on November 29, 2017, including the Transaction and subject to rounding resulting from the Consolidation, was 27,341,967.

6. LIQUIDITY AND CAPITAL RESOURCES

The Company is solvent. As at September 30, 2017 the Company had working capital of \$179,561 (September 2016 – working capital deficiency \$88,751). The Company currently has sufficient working capital to undertake its activities. The Company has no long-term debt and no long-term liabilities.

Subsequent to the end of the quarter, the Company completed the Transaction, including the Financing, which raised gross proceeds of \$6,000,000. The Company has sufficient working capital to carry on its business including the proposed exploration program following the closing of the Transaction.

Working Capital

As at September 30, 2017 the Company had working capital of \$179,561 (September 2016 – working capital deficiency \$88,751). The working capital at September 30, 2017 includes cash on hand and receivables. The working capital position is affected by the operating expenses of the Company.

Cash and Cash Equivalents

As at September 30, 2017 the Company had cash and cash equivalents of \$239,626 (September 2016 - \$1,091).

Management of cash balances is conducted in-house based on internal investment guidelines, which generally specify that investments be made in conservative money-market instruments that bear interest and carry a low degree of risk.

Cash Used in Operating Activities

Cash used in the operating activities during the quarter ended September 30, 2017 was \$119,503, compared with \$8,408 of cash used in operating activities during the quarter ended September 30, 2016. Cash was mostly spent on consulting fees, directors' fees, listing and registration fees, professional fees, rent, travel expenses and general and administrative expenses. The amount of cash used in operating activities is consistent with the corporate and operational activities of the Company during the quarter, including the payment of costs associated with the Transaction.

Cash used in the operating activities during the nine months ended September 30, 2017 was \$264,441, compared with \$25,758 of cash used in operating activities during the nine months ended September 30, 2016. Cash was mostly spent on consulting fees, directors' fees, insurance, listing and registration fees, professional fees, rent, travel expenses and general administration expenditure. The higher amount of cash used in operating activities is consistent with the corporate and operational activities of the Company during the nine months, including the payment of costs associated with the Transaction.

Cash Generated from in Investing Activities

There was no cash generated from investment activities during the quarter ended September 30, 2017 and nine months ended September 30, 2017 or the prior comparable period.

Cash Generated by Financing Activities

Cash generated from financing activities during the quarter ended September 30, 2017 was \$Nil, compared with \$8,511 for the quarter ended September 30, 2016.

Cash generated from financing activities during the nine months ended September 30, 2017 was \$502,292, compared with \$25,011 for the nine months ended September 30, 2016.

Cash from financing activities during the nine months ended 30 September 2017 related to the funds from a private placement completed in May 2017 and net advances of a loan from a director.

7. GOING CONCERN

As at September 30, 2017 the Company had working capital of \$179,561 (September 2016 – working capital deficiency - \$88,751), including cash reserves of \$239,626 (September 2016 - \$1,091) to undertake its activities and complete the Transaction. The Company's continuation as a going concern is dependent upon its ability to complete the Transaction, including the Financing. As at the date of this MD&A, the Company had completed the Transaction and considers that it is a going concern.

8. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described in detail in Note 8 of the Financial Statements.

The following interim remuneration arrangements were put in place commencing from 1 July 2017 to enable the Company to complete the requirements associated with the Transaction:

- a) Fee of \$10,000 per month payable to each of the Mr. Henderson and Mr. Phillips (or entities controlled by them) through to the closing of the Transaction for advisory and operational services;
- b) Fee of \$10,000 per month payable to Ms. Iacusso (or an entity controlled by her) as Chief Financial Officer of the Company and for additional services relating to the Transaction; and
- c) Fee of \$2,000 per month payable to the Company Secretary (or an entity controlled by her).

Other than as set out in the Financial Statements, or below, there are no ongoing remuneration arrangements.

The Compensation Committee intends to review remuneration arrangements following the closing of the Transaction.

9. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

10. PLAN OF OPERATIONS AND FUNDING

The Company's plan of operations over the next 12 months is to complete the Transaction and undertake the exploration activities proposed in the National Instrument 43-101 report on the Sikasso Property Package.

As at September 30, 2017 the Company had cash and cash equivalents of \$239,626 (September 2016 - \$1,091). The Company has no committed expenditure and its near-term commitments are restricted to general administrative costs and costs associated with the Transaction. On November 29, 2017, as part of the Transaction, the Company completed the Financing.

11. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash, receivables, trade payables, and other liabilities. Cash, which is measured at its face value, representing fair value, is classified as loans and receivables. Receivables are measured at amortized cost and classified as receivables. Trade payables, which are measured at amortized cost, are classified as other financial liabilities. Other liabilities are classified as derivative financial liabilities, which are subsequently measured at fair value. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

For the nine months ended September 30, 2017 and the year ended December 31, 2016, the Company had no derivative assets or embedded derivatives.

It is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. Following the closing of the Transaction and once exploration work commences in Mali, West Africa, the Company will have increased exposure the foreign currencies, including the Euro and CFA (West African Franc), being the currencies largely used in Mali.

The Financial Risk and Capital management of the Company is described in further details in Note 16 of the Audited Financial Statements.

12. ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are detailed in Note 2 to the Audited Financial Statements. IFRS principles have been applied.

The Company's assets principally comprise cash.

13. FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the Transaction, including the Financing, and other future activities to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things, the operation of the Company following the closing of the Transaction.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands and competition for skilled personnel.

14. DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

15. ADDITIONAL INFORMATION

For further detail, see the Company's Financial Statements and Audited Financial Statements. Additional information about the Company can also be found on the company's website (www.compassgoldcorp.com) and www.sedar.com.

Approved on Behalf of the Board:

(Signed) "Larry Phillips"

Larry Phillips
Chief Executive Officer

November 29, 2017

(signed) "Lara Iacusso"

Lara Iacusso
Chief Financial Officer

For further details please contact:

Compass Gold Corporation

Larry Phillips
President & Chief Executive
Officer

lp@compassgoldcorp.com

T: +1 416-648-4767

Compass Gold Corporation

Greg Taylor
Director Investor Relations &
Corporate Communications

gtaylor@gtinvestorrelations.com

T: +1 416-605-5120

INFOR Financial Inc.

Neville Dastoor- Principal

ndastoor@inforfg.com

T: +1 416-583-1947

**COMPASS GOLD CORPORATION
CORPORATE DIRECTORY**

Trading Symbol – CVB-H
Exchange - TSX-V

Head Office

Compass Gold Corporation
Suite 1430, 800 West Pender Street,
Vancouver, BC V6C 2V6, Canada
Tel: 604-638-8063
Fax: 604-648-8105

[Email: info@compassgoldcorp.com](mailto:info@compassgoldcorp.com)
[Website: www.compassgoldcorp.com](http://www.compassgoldcorp.com)

Officers and Directors

James Henderson, (Chairman)
Larry Phillips (President and CEO)
Madani Diallo (Director)
Joe Conway (Director)
Bill Pugliese (Director)
Lara Iacusso (Chief Financial Officer)
Danica Topolewski, (Corporate Secretary)

Members of the Audit Committee

James Henderson
Joe Conway
Bill Pugliese

Members of the Compensation Committee

James Henderson
Joe Conway
Bill Pugliese

Legal Counsel, Canada

DuMoulin Black LLP
10th Floor 595 Howe St
Vancouver, BC
Brian Lindsay
Tel: 604-602 6818
Fax: 604-687-8772

Auditors

Dale Matheson Carr-Hilton Lebonte LLP
Suite 1500-1140 W. Pender Street
Vancouver, B.C. V6E 4G1, Canada
Barry S. Hartley
Tel: 604-687-4747
Fax: 604-689-2778

Transfer Agent

Computershare Investor Services
3rd Floor- 510 Burrard St.
Vancouver BC
Anita Basi
Tel: 604-661-9400 ext 4476