



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

The following management discussion and analysis (the “MD&A”) of financial results is dated November 26, 2018 and reviews the business activities of Compass Gold Corporation (“Compass” or the “Company”) and its subsidiaries, for the three and nine months ended September 30, 2018, 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 condensed interim consolidated financial statements for the three and nine months ended September 30, 2018 and the notes attached thereto (“Financial Statements”), as well as the audited annual financial statements for the year ended December 31, 2017 and related MD&A. This MD&A and the accompanying Financial Statements for the three and nine months ended September 30, 2018 have been reviewed by the Company’s Audit Committee and approved by the Company’s board of directors (the “Board”).

Statements in this MD&A 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 the MD&A, is complete and reliable. The Board follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee of the Board 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.

HIGHLIGHTS

- On February 28, 2018, the Company provided an update on the shallow soil geochemical survey program on the primary target within the Ouassada exploration permit (Ouassada) on its Sikasso Property in Southern Mali.
- The Company provided a further update on April 3, on the shallow soil geochemical survey program on the primary target within Ouassada.
- On May 7, the Company reported the results of the previously announced ongoing deep soil auger geochemical survey program at Ouassada.
- On May 28, the Company provided an update on the results of recent independent geophysical, remote sensing, and structural studies conducted on the five permits that comprise the Sikasso Property.
- On May 31, the Company provided an update on the completed shallow soil geochemical survey program over the Sankarani exploration permit (Sankarani).
- On June 25, the Company announced that a geophysical survey and infill drilling had been initiated on its Ouassada and Sankarani exploration permits.
- On July 16, the Company provided an update on ongoing geochemistry and geophysics fieldwork from the priority target areas on the Ouassada and Sankarani exploration permits.

- On July 31, the Company announced plans to commence a drill program in early November to begin testing the first four of 14 identified bedrock targets on the Sikasso Property.
- On September 17, the Company provided an update on the initial results from the completed shallow soil geochemical survey program over the Kalé exploration permit.
- On September 27, the Company announced that it has engaged a drilling contractor in preparation for its previously announced initial 3,500 m bedrock-drilling program on the Ouassada permit.
- On October 9, the Company provided an update on the completed priority shallow soil geochemical survey program over the Kourou and Tiéouléna exploration permits.
- On October 12, the Company announced that it had retained INFOR Financial Inc. to provide market making services on the TSX Venture Exchange (the “TSX-V”) in compliance with the policies and guidelines of the TSX-V.

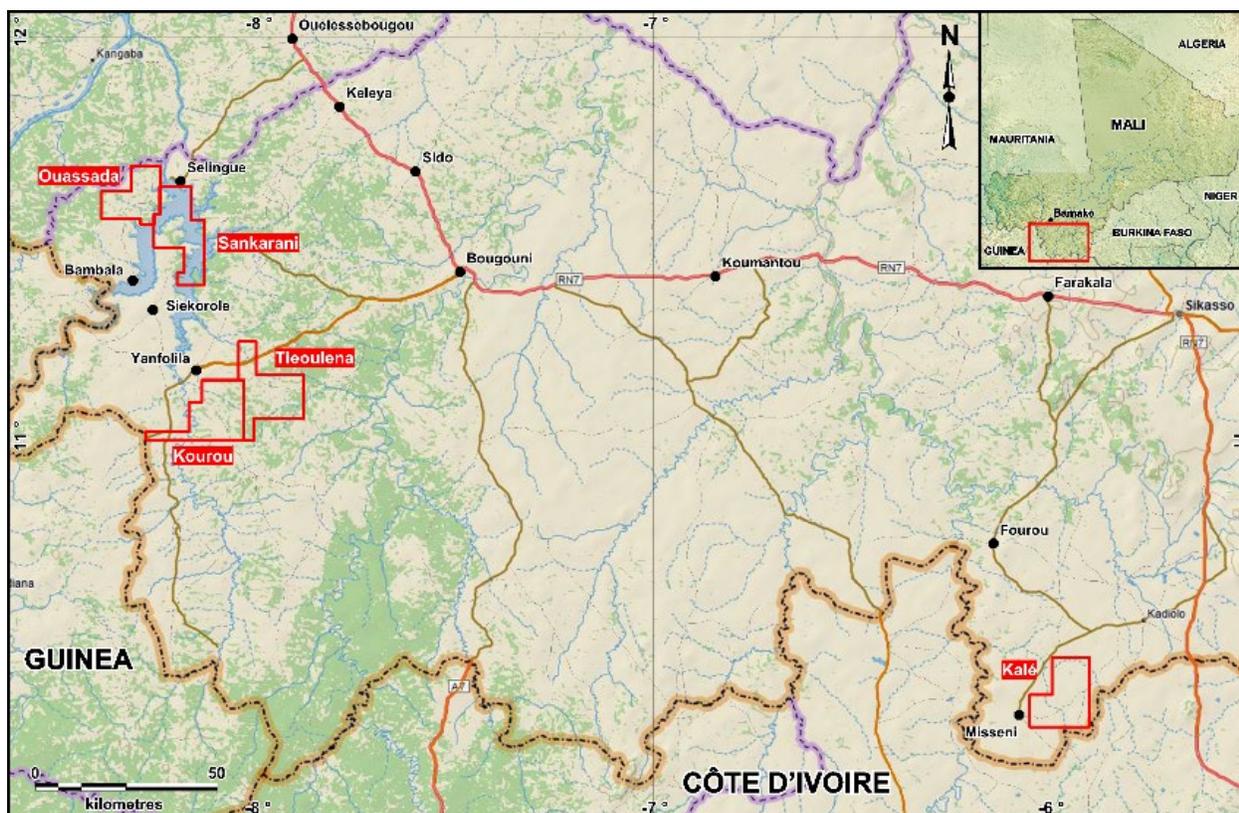
1. COMPANY OVERVIEW

Compass, a public company having been continued from British Columbia to Ontario, is a Tier 2 issuer on the TSX-V. Through its acquisition in November 2017 of Mali Gold Exploration Pty Ltd (MGE) and its 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 sq. kilometres (km). The Sikasso Property is located in the same region as several other multi-million-ounce gold projects, including Morila, Syama, Kalana and Yanfolila. 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 31, 2017 “National Instrument 43-101 Technical Report on the Sikasso Property, Southern Mali.”

2. MINERAL PROPERTY

MGE holds, through its Malian subsidiaries, the Sikasso Property comprising five (5) gold exploration permits in Mali, West Africa covering a total area of 1,179 sq. km in established gold producing regions of Mali. The Company has now taken over MGE's business of gold mineral exploration in Mali.

The Sikasso Property comprises five exploration permits (see map below) at the following three sites: **Ouassada** and **Sankarini**; **Tiéouléna** and **Kourou**; (these four permits collectively referred to as the **Yanfolila Block**); and, **Kalé**.



As of September 30, 2018, the Company had incurred \$6,172,837 of acquisition costs and \$3,012,464 of exploration and development costs, plus the acquisition of machinery and equipment in the amount of \$210,459, which represents exploration activities since the acquisition of the mineral properties were completed on November 29, 2017. For further information please refer to note 5 and 8 of the related financial statements for the three and nine months ended September 30, 2018.

Year to date exploration expenditures includes the following items as of September 30, 2018:

Project management and administrative support	\$ 317,009
Property payment	346,583
Drilling and assay	1,204,660
Field work support	788,642
Technical studies	<u>355,570</u>
	3,012,464
Capital items purchase	<u>210,459</u>
Total expenditures	<u><u>3,222,923</u></u>

During the current period, the Company has been renewing the permits comprising the Sikasso Property to extend the life of the licenses for the conduct mineral exploration. As a result of this process, the permits have been renewed and the Company has committed to exploration expenditures over the next three years as follows:

Year/Work Program (\$)	Phase 1	Phase 2	Future Phases	Total
First Year	840,010	-	-	840,010
Second Year	-	1,518,305	-	1,518,305
Third year	-	-	4,261,529	4,261,529
Total	840,010	1,518,305	4,261,529	6,515,844

The Company initiated its first exploration program on November 29, 2017, the day of acquisition of MGE, and, as of September 30, 2018, had almost completed Phase 1 of exploration activity on the Sikasso Property. The actual expenditures made to September 30, 2018 are \$3,012,464 (for more detail, please see above). The actual expenditures were lower than budgeted for the first half of the year on Phase 1 where costs savings were recognized on auger drilling and assay work. Phase 1 work combined surface soil sampling, a below-surface auger drilling orientation survey, geophysical, remote sensing, and structural studies on the five permit areas. The expenditures to-date have been incurred since November 29, 2017, and there are no comparable expenditures completed in the prior year. The activities completed in Phase 1 are noted and described below in more detail.

The Company is currently planning its Phase 2 exploration activity on the Sikasso Property, as described below under the heading “Future Activities”. The Company has the financial resources to complete the planned exploration program for the current year and into Q1 of next year without seeking additional financial capital.

The budgeted expenditures for Phase 2 for the remainder of the year are between \$500,000 and \$1,250,000, depending on conditions at the site for completing the planned drilling after the rainy season. The proposed Phase 2 drilling will target near-surface bedrock gold mineralization. Target selection was based on shallow and deep (auger) soil gold anomalism; induced polarization (IP) conductors; geological mapping; and, interpretation of high-resolution airborne magnetic geophysics. Currently, Phase 2 is expected to involve between 3,000 m and 4,000 m of air core and/or reverse circulation drilling on the first of 14 targets over a distance of 12 Km. The majority of the Phase 2 drilling is expected to be completed in 2018, but a portion will continue into Q1 of 2019. The timing of completion of Phase 2 is dependent on weather and site conditions, as well as turnaround time from drilling to assaying and analysing the results. The prime reason for the uncertainty concerns the question of when the rainy season will end, which is typically between mid-October and the end of November. The drill pads are being prepared now, but due to the longer than expected rainy season, the ground is not yet sufficiently stable for mobilizing the drill rigs and may not be so before the beginning of December. The later the start to the Phase 2 drilling, the more drilling that will have to occur in 2019.

EXPLORATION ACTIVITY FISCAL 2018

Initial Exploration Program

The Company’s Mali-based technical team, led in the field by Dr. Diallo and under the supervision of Dr. Archibald, continued the work on Compass’s new exploration program, which had been initiated in December 2017. This work has been focused on examining the first of at least 35 anomalies noted for further investigation in the August 31, 2017 “National Instrument 43-101 Technical Report on the Sikasso Property, Southern Mali.” The primary objective of the overall

program is to test anomalies that had been previously identified primarily through airborne surveying and interpretation of the area.

The first area examined was on the Ouassada permit area, part of the Yanfolila Block, in the northwestern portion of Compass's property area. Four local geologists, led by Dr. Diallo, began conducting shallow soil geochemical sampling on the site in December 2017.

The objective of the initial stage of the drill program was to investigate the 12 discrete gold targets previously identified on the Ouassada permit area, which was followed by further work on the four other exploration permits comprising the Sikasso Property. This work was combined with a soil sampling, geochemical and auger drilling orientation survey to determine the most efficient method of assessing geophysical and geochemical targets in the permits. Based on the results of the initial sampling, Compass intends to conduct deeper reverse circulation and diamond drilling to determine the level of potentially economic mineralization in the bedrock.

Results of Initial Exploration Program – Phase 1

Results of the Company's initial phase of the exploration program were announced on February 28; April 3; May 7, 28, and 31; June 25, July 16 and 31; September 17 and 27; and, October 9 and 12, 2018. The targets were identified by interpreting airborne geophysical data, the presence of an extensive zone of artisanal mining (containing bedrock, vein-hosted, g old mineralization) and the similarity of the geological and structural setting to the Yanfolila gold mine, located 40 km along strike to the southwest.

The February 28, 2018 announcement reported a total of 2,342 shallow geochemical samples had been collected in a 4-km wide, 15- km long, north- northwest- trending zone within the permit (Target Area 1 – see figure below).

Highlights:

- Two parallel, northwest-trending gold anomalies were identified over strike lengths up to 12 km and widths up to 1 km.
- Highest soil samples contained 3,800 parts per billion (ppb) gold (Au) (3.8 grams per tonne (g/t) Au) 550 metres (m) north of artisanal workings at Farabrakoura, and 1,200 ppb Au from a surface nodular iron oxide 350 m west of the workings at Farabrakoura. Highest gold concentrations are associated with areas near current artisanal gold workings, although anomalous samples are not restricted to known workings.
- A total of 2,342 shallow geochemical samples were collected over the main target area on the Ouassada permit where the average gold background for shallow soil samples was 5 ppb and 8 ppb for nodular iron oxide samples.
- Deep soil auger sampling continued on the primary target area while the near surface geochemistry teams moved to the next target areas on the Ouassada and Sankarani permits.

The April 3, 2018 announcement reported the results of 1,139 additional shallow soil samples, collected over two broad zones within the Ouassada permit (target areas 2 and 3).

Highlights:

- Four additional parallel, northwest-trending gold anomalies were identified over strike lengths up to 12 km and widths up to 2 km (see Figure below), bringing the total to nine.
- Highest soil samples contained 3,800 ppb Au (3.8 g/t Au) 550 m north of artisanal workings at Farabakoura. The highest gold concentrations were not restricted to areas of known workings.
- In this round of work, a total of 1,139 shallow soil samples were collected on the Ouassada permit where the average gold background for shallow soil samples was 5 ppb.
- Deep soil auger sampling at Ouassada was then 90% complete, and the shallow soil sampling was underway on the Sankarani permit with 88% of the samples collected.
- High-resolution airborne geophysical interpretation, and structural and hyperspectral remote sensing (satellite) studies had been initiated.

Shallow soil geochemistry assays had been received on target zones 1, 2 and 3 on the Ouassada permit. The nine linear gold shallow soil anomalies correlated with structures present in the airborne magnetic data, and are highly encouraging. The Company looked forward to the infill shallow soil assays, and the result of the soil auger study. When all the geochemistry results were compiled and analyzed, they would form the basis for identifying bedrock drilling targets. This deeper drilling program is expected to be implemented in late Q2.

On May 7, 2018, the Company announced the results of the ongoing deep soil auger geochemical survey program at the Ouassada exploration permit. These results included:

- Deep soil auger sampling has identified a broad 1.5 km wide long and 12 km long zone of anomalous gold at an average depth of 13 m beneath and coincident with the previously reported shallow soil sampling areas. This anomaly, which closely correlates with the bedrock geology, remains open to the north.
- Gold concentrations up to 2,600 ppb Au (2.6 g/t Au) occur at the artisanal workings at Farabakoura, and up to 722 ppb Au located 500 m southeast of the workings at Kabangoué North. Highest gold concentrations are not restricted to areas of known workings.
- Close correlation of anomalous zones with shallow soil geochemistry and a mapped fault bounded Birimian volcanoclastic unit.
- A total of 1,786 3-m composite deep soil auger samples from 11,556 m of drilling were analyzed over target area 1.

On May 28, 2018, the Company provided an update on the results of recent independent geophysical, remote sensing, and structural studies conducted on the five permits that comprise the Sikasso Property. These results included:

- A total of 56 discrete sub-surface exploration targets were identified on the Sikasso Property, many of which are identical to the 35 near-surface targets previously reported in the August 31, 2017 “National Instrument 43-101 Technical Report on the Sikasso Property, Southern Mali,” by Dr. Sandy Archibald, P.Geol.
- Three primary targets on Ouassada correspond with a 12-km long and 1-km wide zone of anomalous gold identified by shallow soil and deep auger drilling. The largest target identified through these recent studies covered an area of 12 sq. km.
- 10 target areas are identified on the Ouassada permit, 12 on Sankarani, 13 on Kourou, 11 on Tiélouléna, and 10 on Kalé.
- Reinterpretation of the historic and recent airborne geophysics defined numerous regional and local scale faults, and discrete lithological boundaries related to radiometric results.
- A Sentinel-2 multispectral study identified hydrothermal iron oxide and clay alteration associated with faults and margins of intrusions, and which are commonly associated with mineralizing fluids in ore systems.
- Satellite and geophysical lineament analysis was performed, which complemented the results of the initial geophysical study.

On May 31, 2018, the Company provided an update on the completed shallow soil geochemical survey program over the Sankarani exploration permit.

On June 25, 2018, the Company announced that a geophysical survey and infill drilling had been initiated on its Ouassada and Sankarani exploration permits. The former included five induced polarization (IP) survey lines, totalling 18 km, which had started to cover the deep auger soil sampling anomalies previously identified on the Ouassada permit. A deep auger soil sampling program had also been initiated over the Sodala shallow soil anomaly (2 km x 5 km) on the Sankarani permit. A total of 7,521 shallow soil samples from priority areas at Kalé, Kourou, Tiélouléna, and infill areas at Sankarani were at the assay laboratory.

On July 16, 2018, the Company provided an update on ongoing geochemistry and geophysics fieldwork from the priority target areas on the Ouassada and Sankarani exploration permits. Results included the identification of several discrete highly anomalous gold samples at Ouassada target area 3 (TA3). The previously announced induced polarization (IP) study had been completed over the principal target zone (target area 1/TA1) on Ouassada to aid in identifying drilling targets in the principal exploration area. Further, an expedited 95-hole deep soil auger drilling program had been completed over the high-priority Sodala shallow soil gold anomaly on the Sankarani permit.

On July 31, 2018, the Company announced plans to commence a drill program in early November to begin testing the first of 14 identified bedrock targets on the Sikasso Property. This proposed phase 2 drilling will target near-surface bedrock gold mineralization. Target selection was based on shallow and deep (auger) soil gold anomalism; induced polarization (IP) conductors; geological mapping; and, interpretation of high-resolution airborne magnetic geophysics.

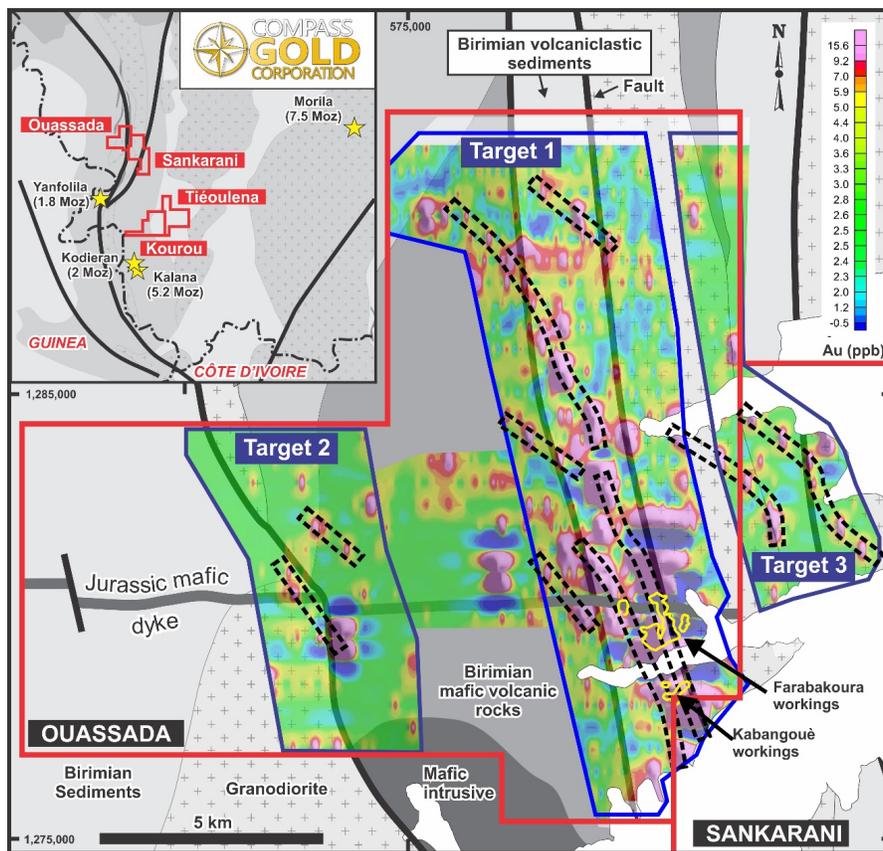


Figure: Location of the anomalous gold zones (dashed outlines) as identified by shallow soil geochemistry. Four additional zones are identified in target areas 2 and 3.

On September 17, the Company provided an update on the initial results from the completed shallow soil geochemical survey program over the Kalé exploration permit on its Sikasso Property. Four discrete anomalous gold zones were identified over a distance of 15 km on the Kalé permit, where the highest soil sample contained 127 ppb Au over a permit with no known outcrops. Gold anomalism is coincident with deep linear structures, interpreted as faults, identified in the recently completed remote sensing and geophysics studies. A total of 1,746 samples were collected and analyzed on the areas considered the most prospective for gold mineralization.

On September 27, the Company announced that it had engaged Target Drilling SARL (Target), a drilling contractor, in preparation for the Company's initial 3,500 m bedrock-drilling program on the Ouassada permit. Target is to provide 2,500 m of air core (AC) drilling and 1,000 m of reverse circulation (RC) drilling, which represents the first ever bedrock drilling on the 1,179 sq. km Sikasso Property. Initial drilling will focus on four zones on the Ouassada permit considered to be priority areas, and which contain active artisanal gold mining. A total of 14 drilling targets were identified on the permit using a combination of geochemistry, geophysics, remote sensing and geological mapping. The drilling targets average 1.2 km in length, and the fresh bedrock is expected to be intercepted at a depth of approximately 50 m.

On October 9, the Company provided an update on the then completed priority shallow soil geochemical survey program over the Kourou and Tiélouléna exploration permits on its Sikasso Property. Twelve discrete gold anomalies were identified on Kourou permit along strike lengths up to 5 km, where the highest soil sample contained 1.38 g/t 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 ppb limit of detection. Mineralization is coincident with deep linear structures, interpreted as faults, from a remote sensing study.

Current Activities – Phase 2 Bedrock Drilling

Internal target generation studies have been completed by the Compass exploration team which have identified areas for additional (infill) geochemical sampling, and bedrock drilling starting in Q4.

As reported on July 31, 2018, the Company is planning to initiate its previously announced Phase 2 of its initial exploration program in early November, following the end of the rainy season in Southern Mali. This work is expected to involve between 3,000 and 4,000 m of air core and/or reverse circulation drilling on the first of 14 targets over a distance of 12 km that warrant testing for potential near-surface gold mineralization in the bedrock.

- Four zones containing active artisanal mining are considered priority areas; will involve six fences of drilling totaling approximately 3,500 m.
- The average length of the 14 drilling targets is 1.2 km; the longest zone is 2.45 km.
- Targets are based on shallow and deep (auger) soil gold anomalism; induced polarization (IP) conductors; geological mapping; and, interpretation of high-resolution airborne magnetic geophysics

The preparation of the drill areas for this Phase 2 program has started with the mobilization of rigs expected to begin near the end of November or early December 2018, depending on the timing of the end of rainy season and its effect on ground conditions.

3. RESULTS OF OPERTATIONS

This analysis of the results of the Company's operations should be read in conjunction with the Company's Financial Statements for the three and nine months ended September 30, 2018.

Revenues

The Company has no revenue or sources of recurring revenues at this time.

Expenses

During the nine months ended September 30, 2018, the Company incurred a net loss of \$615,725 (2017 – \$267,349). For the three months ended September 30, 2018, the net loss reported by the Company was \$224,502 (2017 – \$155,645). The current fiscal period reflects a significant increase in expenditures as result of Compass becoming an active Company, through the acquisition of the

MGE that was completed on November 29, 2017, and incurring normal operational expenditures for an exploration company of the size and activities of the Company.

Expenses for the nine months ended September 30, 2018 were \$615,725 (2017 - \$267,349). For the nine months ended September 30, 2017, significant expenditures included and consisted of consulting fees of \$55,715 (2017 - \$91,574), Management and advisory fees of \$320,645 (2017 – 69,000), professional fees of \$69,505 (2017 – 49,817), listing and registration fees of \$38,964 (2017 - \$16,999), interest and bank charges of \$4,708 (2017 - \$2,265) foreign exchange loss of \$42,544 (2017 – 449), and general and administration expenses of \$31,181 (2017 - \$7,502).

Immediately after the completion of the transaction, that the Company implemented its initial exploration program. This increased activity in support of the Company’s exploration efforts has resulted in increases in management fees, professional fees and other administrative expenses. This trend is expected to continue throughout fiscal 2018 as the Company has the working capital to support expenditures. Consulting fees were higher in the prior year as a result or the work required to prepare for the transaction with limited resources from management and directors at the time.

4. DISCLOSURE OF OUTSTANDING SHARE CAPITAL

The Company is authorized to issue an unlimited number of voting common shares, an unlimited number of non-voting first preferred shares and an unlimited number of non-voting second preferred shares.

As of September 30, 2018, the Company had the following capital stock position:

Common shares outstanding	29,738,522
Warrants outstanding	12,200,000
Broker warrants outstanding	536,849
Options outstanding	2,145,000

Basic common shares outstanding total 29,738,522. Fully diluted shares outstanding, which includes all issued common shares, warrants, broker warrants and options, totals 45,157,220. For further information on the Company’s capital, please refer to the notes of the Financial Statements (Note 9 – Share Capital, Note 10 - Reserves).

Effective on May 4, 2018, the Company announced that all of the 2,000,000 warrants with an expiry date of May 4, 2018 were exercised at a price of \$0.35, along with the 84,000 broker warrants, for total proceeds of \$750,400. A further 228,571 warrants with an expiry of May 15, 2018 were exercised at \$0.35 for total proceeds of \$79,999.

5. QUARTERLY RESULTS

Selected quarterly information for the most recently completed eight quarters is presented below in Canadian currency (\$), and in accordance with International Financial Reporting Standards.

	2018			2017				2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$000's							
Revenues	-	-	-	-	-	-	-	-
Loss for the period	(224)	(176)	(216)	(785)	(156)	(103)	(9)	(28)
Loss per share	(0.01)	(0.01)	(0.00)	(0.13)	(0.05)	(0.05)	(0.01)	(0.04)

The first two quarters of 2018 reflect a significant increase in expenditures as result of Compass becoming an active Company, through the acquisition of the MGE that was completed on November 29, 2017 and incurring normal operational expenditures for an exploration company of the size and activities of the Company. In fiscal 2017, expenditures in the fourth quarter were high as a result of closing the transaction. Prior to the fourth quarter in 2017, expenditures were gradually increasing as the Company worked towards completing the transaction.

6. LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2018 the Company had working capital of \$2,369,315 (December 31, 2017 \$5,282,779). Cash and cash equivalents as at September 30, 2018 were \$2,436,052, compared to \$5,436,302 as at December 31, 2017. The Company has no long-term debt and no long-term liabilities.

Concurrent with the closing the acquisition of MGE, on November 29, 2017, the Company closed a private placement to raise gross proceeds of \$6,000,000 by the issuance of 12,000,000 units at a price of \$0.50 per unit. Each unit was comprised of one common share 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 until November 29, 2020.

As noted in the Company's Management Information Circular under Principal Purpose of Funds for the November 29, 2017 special meeting, the use of the proceeds for the \$6.0 million private placement is noted below in the table in column titled "Maximum value of Proceeds to Spend".

The table below compares, in tabular form, discourse that the Company has previously made about how it was going to use proceeds. The amounts presented are approximate.

Description	Maximum value of Proceeds to Spend	Actual Expenditures incurred to September 30, 2018 (approximately)	Variance
Cost of the Company to Complete Acquisition and Private Placement	400,000	460,000	(60,000)
General and Administrative Expenses for the next 12 months	590,000	573,000	17,000
Exploration and maintenance Costs on the Sikasso Property	4,200,000	3,220,000	980,000
Unallocated working capital	590,000	(70,000)	660,000
Total	\$ 5,780,000	\$ 4,183,000	\$ 1,597,000

The costs to close to the private placement and acquisition were the result of higher than expected professional fees incurred. General and Administrative expenses are higher than expected due to additional director fees and management fees that were not included in the original value of proceeds to spend.

The actual expenditures for the Siasso Property year to date are lower than budget for the first nine months of the year. The Company is planning for Phase 2, as described below under the heading “Future Activities”. The Company has the financial resources to complete the planned exploration program for the current year without seeking additional financial capital

Review of Interim Statement of Cash flows

Cash Used in Operating Activities

Cash used in operating activities during the nine months ended September 30, 2018 was \$701,661 compared with \$478,609 of cash used in operating activities during the year ended December 31, 2017. Cash was mostly spent on management and director fees, professional fees, listing and registration fees, and administrative costs.

Cash Used in Investing Activities

The expenditures show the project activity from December 31, 2017 to September 30, 2018, which is essentially nine months of activity. For more detail see Section 2.

Cash Generated by Financing Activities

For the nine months ended September 30, 2018, source of cash was from the exercise of warrants which generated \$830,399 of cash. During the nine months ended September 30, 2017, the Company

received \$502,292 from the financing activities net of any share issue expense. This comprised loans from third parties totaling \$37,542 and funds received for the Private Placement totaling \$500,000.

7. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described in detail in Note 11 of the Financial Statements

For further clarification, management and director fees of \$320,645 (2017 - \$69,000) for the current nine month period were paid or accrued. These fees are payable to Company officers and directors or companies controlled by or associated with Company officers or directors as follows:

- The President and Chief Executive Officer of the Company (the “CEO”), Larry Phillips, was paid \$135,000 (2017 - Nil). Larry Phillips became the CEO on November 29, 2017. Such consideration was paid to a management company pursuant to which Mr. Phillips provides the CEO services.
- The Chief Financial Officer of the Company (the “CFO”), Louis Nagy, was paid \$58,500 (2017 - Nil). Such consideration was paid to a management company pursuant to which Mr. Nagy provides the CFO services. The previous CFO was paid \$9,000 in the same period last year and resigned on December 12, 2017.
- The Exploration Manager of the Company, Madani Diallo, who is a non-executive director of the Company, was paid \$111,375 (2017 - Nil). Such consideration was paid to a company pursuant to which Dr. Diallo provides services to the Company, on a consultancy basis, relating to the oversight of project work at the Sikasso Property. These costs are capitalized.
- Non-management directors of the Company were paid, in aggregate, fees of \$96,000 (2017 - Nil), such fees paid on a quarterly basis.

8. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

9. FINANCIAL INSTRUMENTS AND RISKS

The Company’s financial instruments consist of cash, receivables and trade payables. 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 other financial liabilities, which are subsequently measured at amortized cost. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

For the years ended September 30, 2018 and December 31, 2017, 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. The Financial Risk and Capital management of the Company is described in further details in Note 12 of the Financial Statements.

10. 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 following: expectations regarding the Company's ability to source new assets or business or raise capital, 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 Company's ability to source potential assets or business or obtain additional financing on satisfactory terms.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to: 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, as well as those risk factors listed in the Risks and Uncertainties section below.

11. EMERGING MARKET DISCLOSURE

The Company's principal property interests are located in Mali, an emerging market, and are held indirectly through locally incorporated subsidiaries for the purpose of compliance with local laws. Operating in an emerging market exposes the Company to certain risks and uncertainties that may not exist or that are significantly less likely to exist in other jurisdictions, such as Canada or the United States. In order to manage and mitigate these risks, the Company has designed a system of corporate governance for itself and its subsidiaries. These systems are coordinated by management and overseen by the Board. Further information concerning these systems and the operations of the Company in Mali are described in greater detail below.

Notwithstanding any additional potential risks or uncertainties arising from operating in Mali, it should be noted that many notable mining companies operate in the vicinity of the Company (both juniors and majors), including: Rangold Resources; AngloGold Ashani; Endeavour Mining; Resolute Mining; Perseus Mining; Hummingbird Resources; Okio Resources; Birimian Limited; Robex Resources; and Cora Gold.

Mining Rights / Asset Verification

The Company's principal property interests include five prospecting permits (which collectively comprise the Sikasso Property) referred to as: Quassada, Sankarani, Kourou, Tiéouléna and Kalé. The Sikasso Property is described in detail in the technical report prepared for the Company dated August 31, 2017 entitled "NI 43-101 Technical Report on the Sikasso Property, Republic of Mali" (the "**Technical Report**").

In connection with its acquisition of MGE in November 2017, the Company conducted extensive due diligence on MGE and its interest in the Sikasso Property. Due diligence with respect to MGE and its interest in the Sikasso Property included searches of applicable government registries and a review of applicable title documents. Further, the Company obtained legal opinions from reputable legal counsel in Mali with respect to the good standing of each of the Mali subsidiaries and with respect to the ownership and good standing of the permits comprising the Sikasso Property.

In connection with the preparation of the Company's most recent audited annual financial statements, the Company requested and received updated legal opinions from legal counsel in Mali with respect to the good standing of each of the Mali subsidiaries and with respect to the ownership and good standing of the permits comprising the Sikasso Property.

A detailed description of the permits, the system of mineral rights/tenure in Mali and certain due diligence undertaken by the Company in respect of its acquisition of the Sikasso Property (through its acquisition of MGE) is set out in the Technical Report. The Technical Report includes, among other things, copies of corporate and title opinions rendered to the Company.

Legal Right to Conduct Operations / Laws and Customs

Mali has an established and stable regime with respect to mining rights and, as a result, the Company and other foreign mining companies are generally able to operate predictably and stably in that country. The system of mineral rights/tenure in Mali is described in detail in the Technical Report. As indicated above, many foreign mining companies (both juniors and majors) operate in Mali under this regime.

The Company has obtained all permits required for the conduct of its business as presently conducted. Apart from the mining permits comprising the Sikasso Property, the Company holds, or may be required to obtain in the future, certain customary or routine permits, licenses or other regulatory approvals in the ordinary course of its operations.

The principal business operations and activities of the Company relate to the exploration for minerals on the Sikasso Property. The Quassada, Sankarani, Kourou, Tiéouléna and Kalé permits, respectively, allow the Company to conduct exploration activities on the lands subject thereto.

In order to acquire an exploration permit in Mali, a locally incorporated company is required to directly hold the permit. For this reason, the permits comprising the Sikasso Property are held through Mali subsidiaries. The Organization for the Harmonization of Business Law in Africa ("**OHADA**"), of which Mali is a member state, allows for 100% foreign ownership of companies. OHADA is an international treaty regulating commercial companies and economic entities in certain West and Central African countries and the stated purpose of the initiative is to facilitate and encourage both domestic and foreign investment in the member states.

In addition, the Company (or its Mali subsidiaries) is required to hold certain standard business licenses, file taxes and otherwise comply with local and federal laws generally applicable to a company with business operations or activities in Mali. Except for the exploration permits comprising the Sikasso Property, there are no permits, licenses or other regulatory approvals that would be considered material to the operations of the Company at this time.

In order to comply with Malian laws, the Company relies on directors, employees and/or consultants with local experience in Mali, including Madani Diallo, a director and consultant of the Company resident in Mali. Dr. Diallo has extensive mining experience in Mali and is principally responsible for overseeing project work in respect of the Sikasso Property. The Company also relies on external service providers with specific Mali expertise as required or when deemed prudent (including accounting professionals, legal counsel and technical consultants).

The Company has retained reputable legal counsel in Mali on various occasions to provide necessary or prudent advice, guidance and/or opinions relating to the Company, including as to the Company's the Company's (and its subsidiaries') legal right to conduct business in Mali.

The Company is not aware of, and has not received notice of, any non-compliance with any requirements with respect to permits, licenses or other regulatory approvals required to carry on its business in Mali as currently conducted. Further, the Company is not aware of any material restrictions against foreign investment in Malian companies, nor any material legal requirements imposed on foreign ownership of Malian mining companies.

Corporate Structure

The Board is responsible for the overall stewardship of the Company and, as such, supervises the management of the business and affairs of the Company. More specifically, the Board is responsible for reviewing the strategic business plans and corporate objectives, and approving acquisitions, dispositions, investments, capital expenditures and other transactions and matters that are material to the Company including those of its material subsidiaries and the Sikasso Property.

All of the Malian subsidiaries holding the permits comprising the Sikasso Property are wholly-owned by the Company (either directly or indirectly). As such, the Company is able to control the subsidiaries, through the election of directors and appointment of officers. The directors, officers and employees of each of the subsidiaries are effectively obligated, either directly or indirectly, to follow the directions of management of the Company, including with respect the assets of the subsidiaries (including bank accounts). As described above, there are no restrictions on foreign corporations holding shares of Malian corporations. Further, there are no director residency requirements applicable to Mali corporations. The Company is, therefore, able to appoint directors and officers of its own choosing.

The Company conducts its banking in Mali through banks of international repute, which are subject to international standards. Differences in banking systems and controls between Canada and Mali are addressed by having stringent controls over cash kept in the jurisdiction, especially with respect to access to cash, cash disbursements, appropriate authorization levels, and performing and reviewing bank reconciliations on at least a monthly basis. In executing certain normal course monetary transactions, funds are transferred between the Company and its subsidiaries by way of wire transfer.

All material disbursements of corporate funds and operating capital to the Company's Malian subsidiaries are reviewed and approved by the Board (or its designees), and are based upon pre-

approved budget expenditures. Annual budgets (as updated from time to time) are developed by management of the Company. Annual budgets and quarterly updates on budgets are approved by the Board. Treasury is managed exclusively in Canada. The Mali subsidiaries periodically request funds to pay for goods and services as per approved budget, and 'cash calls' are made on a monthly basis. When 'cash calls' are received by the Company, they are reviewed against the Company's current approved budget and year-to-date expenditures and management of the Company performs a detailed review of all significant invoices and contracts to support expenditures. All 'cash calls' must be approved by management of the Company. Financing reports, including with respect to expenditures, are presented to the Audit Committee and the Board on at least a quarterly basis.

The subsidiaries of the Company are not currently generating revenue. If and when the Malian subsidiaries start generating significant revenue, the Company may be required to adopt additional policies and/or procedures in this regard.

With respect to oversight of the Company's operations in Mali, Dr. Madani Diallo, a director, consultant and significant shareholder of the Company, is resident in Mali and is an active participant in the operations and affairs of the Company and its subsidiaries. Specifically, Dr. Diallo is responsible for overseeing project work in respect of the Sikasso Property. Dr. Diallo has extensive mining experience in Mali. In addition, the Company has retained Sandy Archibald (PGeo), the author of the Technical Report, as a technical consultant on a monthly retainer. As required, Mr. Archibald visits Mali on a regular basis (three to four times annually) to meet with the technical team in the Bamako office, the field office and at the permit areas.

At the present time and based on its present stage of development the Company is of the view that there are no material risks associated with its corporate structure and that any risks are effectively managed based on the controls described above and elsewhere herein.

The minute books of the Company and its subsidiaries are located and maintained in the local jurisdictions by legal counsel or corporate administrators. Specifically, the minute books and corporate records of the Mali subsidiaries are located in Bamko, Mali. There are no restrictions on the Board's access to the books and records of the Company.

Board and Management Experience in Mali

Key members of the Board and management have experience running operations in emerging markets, including Mali. James Henderson (Director and Chairman), Larry Phillips (Director and Chief Executive Officer), Dr. Madani Diallo (Director) and Joseph Conway (Director) all have direct and relevant experience conducting business in Mali.

- Mr. Henderson is the former chairman of Oklo Resources Limited (ASX:OKU), a company with gold mining projects in Mali. Mr. Henderson was also formerly a senior officer and significant shareholder of MGE prior to its acquisition by the Company.
- Mr. Phillips was previously a senior officer at IAMGOLD Corporation, holding the positions of Executive Vice President, Corporate Affairs and General Counsel. Among other jurisdictions, including various emerging market jurisdictions, IAMGOLD held interests in Mali (Sadiola and Yatela Gold Mines) during Mr. Phillips' tenure at that company.
- Dr. Diallo is a Professional Geochemist with over 25 years of experience in mineral exploration with a focus on developing gold and base metals exploration programs in West

Africa. Dr. Diallo has held many senior roles including country manager, exploration manager, geochemist and project manager. Dr. Diallo is Executive Director, Country Manager of Oklo Resources Limited (OKU:ASX) and was also formerly a senior officer and significant shareholder of MGE prior to its acquisition by the Company. Dr. Diallo, who is resident in Mali, is responsible for overseeing project work in respect of the Sikasso Property.

- Mr. Conway was previously a senior officer at IAMGOLD Corporation, holding the positions of President and Chief Executive Officer. Among other jurisdictions, including various emerging market jurisdictions, IAMGOLD held interests in Mali (Sadiola and Yatela Gold Mines) during Mr. Conway's tenure at that company.

For the benefit of current directors and officers that do not have specific prior experience in operating in Mali, the Company has retained the former officers, directors and service providers of MGE to assist with the transition of the responsibilities to the new management team and service providers.

The Board, through its corporate governance practices, regularly receives management and technical updates, risk assessments and progress reports in connection with its operations in Mali. Through these updates, assessments and reports, the Board is continually gaining familiarity with the operations, laws and risks associated with operations in that jurisdiction.

The Company is of the view that, collectively, the directors and management possess adequate experience in Mali to effectively operate the Company – in particular, having regard to the Company's current business activities and stage of development.

Judgments and Remedies

The Company is a corporation existing under the *Business Corporations Act* (Ontario) and is a reporting Company in British Columbia, Alberta and Ontario. Shareholders of the Company have all rights and remedies available to them under the OBCA and applicable securities laws.

The fact that the material properties of the Company are located in Mali and the fact that certain of the subsidiaries of the Company are incorporated under Malian law does not affect an investor's ability to exercise statutory rights and remedies as against the Company under Canadian securities law. However, the enforcement of judgment obtained in a Canadian court could be adversely affected by the fact that certain of the Company's assets are located in Mali. Further, certain directors or officers are resident outside of Canada. The enforcement of judgment obtained in a Canadian court against a director not resident in Canada may be adversely affected by the fact that such director or officer resides outside of Canada.

Language / Communication

The official language of Mali is French; however, many other native African languages are more widely used. Dr. Madani Diallo, a director and consultant of the Company, is responsible for overseeing project work in respect of the Sikasso Property. Dr. Diallo is resident in Mali and is fluent in both English and French.

All director and management meetings are held in English. Meeting materials are prepared in English. If and when required, contracts, meeting materials and other relevant documents are translated into English with third party software or translators (as the context requires). Contracts

outside of Mali are completed in English, which includes major contracts with project related expenditures.

12. RISKS AND UNCERTAINTIES

Exploration, Development and Operating Risks

The exploration for, discovery and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not reduce or eliminate. While the discovery of gold and other minerals may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Substantial expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit (i.e. size, grade, access and proximity to infrastructure), financing costs, the cyclical nature of commodity prices and government regulations (including those relating to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of mineral products, and environmental protection). The effect of these factors or a combination thereof cannot be accurately predicted but could have an adverse impact on the Company.

Mineral Exploration and Development

The exploration and development of mineral projects is highly speculative in nature and involves a high degree of financial and other risks, and success in exploration and subsequent exploitation is dependent upon a number of factors including, but not limited to, quality of management, availability of geological expertise and the availability of capital. The Company's activities on its mineral properties, including at its Sikasso Property, are predominantly exploratory in nature and, therefore, are subject to a significant degree of risk. The Company cannot give any assurance that its current or future exploration efforts will result in the discovery of mineral resources. As well, mineral deposits, even though discovered, may be insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by additional factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and other factors, which may make a mineral deposit unprofitable to exploit. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that the funds required for development can be obtained on a timely basis. Development at the Company's mineral properties, specifically its Sikasso Property, will only follow upon significant further exploration work, and the completion of feasibility or other economic studies.

Should a producing mine be developed at the Sikasso Property, for which the Company can provide no assurance, other factors will ultimately impact whether mineral extraction and processing can be conducted economically, including obtaining all necessary consents, permits and approvals for the development of the mine, actual mineralization, consistency and reliability of ore grades and future commodity prices, as well as the effective design, construction and operation of processing facilities.

Financial Resources

The exploration and development programs on the Company's mineral properties, specifically its Sikasso Property, will require significant additional financing. The amount of required financing may

be substantial. Failure to obtain sufficient and timely financing may result in delaying or indefinitely postponing exploration, development or production activities at the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. If the Company obtains debt financing, it will be exposed to the risk of leverage and its operations could become subject to restrictive loan and lease covenants and undertakings. If the Company obtains equity financing, existing shareholders may suffer dilution. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such financings.

Title to Properties

Although the nature and extent of the interests of the Company in the properties in which it holds an interest, specifically the Sikasso Property, have been reviewed by or on behalf of the Company, and title opinions have been obtained by the Company with regard to the Sikasso Property, there may still be undetected title defects affecting such properties. Accordingly, the properties in which the Company holds an interest may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate. Further, there can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments having jurisdiction over the Company's mineral properties will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned.

Business Risk

Substantial expenditures are required to be made by the Company to establish ore reserves. The mineral interests being explored by the Company, specifically at the Sikasso Property, are in the exploration stage only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

Financing Risk

The Company currently has no significant source of operating cash flow and no revenues from operations. To fund future investments in its mineral properties the Company requires capital. The Company may not have sufficient internally generated cash flow and working capital and may have to access the capital markets. Subject to economic conditions at the time, there can be no assurance the Company would be able to raise additional debt or equity financing on acceptable terms. If the Company cannot finance its future projects it could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Risks Associated with Operations in Mali

The Company's operations in Mali are exposed to various levels of political, economic and other risks and uncertainties and any changes in the political or economic climate in Mali, or other countries

in Africa, even if minor in nature, may adversely affect our exploration activities. These risks and uncertainties vary from time to time and include, but are not limited to: labour disputes, invalidation of governmental orders and permits, uncertain political and economic environments, potential for bribery and corruption, high risk of inflation, currency devaluation, high interest rates, sovereign risk, war (including in neighbouring states), military repression, civil disturbances and terrorist actions, arbitrary changes in laws or policies, consents, rejections or waivers granted, corruption, arbitrary foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, difficulty obtaining key equipment and components for equipment and inadequate infrastructure.

In March 2012, Mali was subject to an attempted coup d'état that resulted in the suspension of the constitution, the partial closing of the borders and the general disruption of business activities in the country. Subsequently, the presence of United Nations, French and Mali troops in the country has had the effect of increasing security and rendering stability to the nation. However, military conflicts with terrorist insurgents and bouts of violence have continued, primarily in the northern and central regions of Mali. To date the conflict in Mali has been principally contained to the northern and central regions of Mali. The gold mining regions of Mali are principally located in the southern regions of Mali. As such, the operations of the Company and other mining companies have, to date, not been disrupted in any material respect; however, companies operating in the region (including the Company) continually monitor and assess the situation and potential risks.

These risks may limit or disrupt our operations and exploration activities, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation, all of which would have a material adverse effect on the Company's operations.

Political Risk in Mali

While the Government of Mali has supported the development of its natural resources by foreign companies, there is no assurance that the government will not in the future adopt different policies or new interpretations respecting foreign ownership of mineral resources, rates of exchange, environmental protection, labor relations, and repatriation of income or return of capital. Any limitation on transfer of cash or other assets between the Company and our subsidiaries could restrict our ability to fund our operations, or it could materially adversely affect our financial condition and results of operations.

Moreover, mining tax regimes in foreign jurisdictions are subject to differing interpretations and constant changes and may not include fiscal stability provisions. Our interpretation of taxation law, including fiscal stability provisions, as applied to our transactions and activities may not coincide with that of the tax authorities. As a result, taxes may increase and transactions may be challenged by tax authorities and our operations may be assessed, which could result in significant taxes, penalties and interest. We may also encounter difficulties in obtaining reimbursement of refundable tax from tax authorities.

The possibility that the government may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, cannot be ruled out. Political risk also includes the possibility of civil disturbances and political instability in our or neighboring countries as well as threats to the security of our mines and workforce due to political unrest, civil wars or terrorist attacks.

Any such activity may disrupt our operations, limit our ability to hire and keep qualified personnel as well as restrict our access to capital.

Asset Location and Legal Proceedings

A substantial portion of the assets of the Company are located outside of Canada, and a majority of its subsidiaries are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws.

Certain directors and officers of the Company reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against the Company's directors and officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of the directors or officers for violations of Canadian securities laws, it may not be possible to enforce such judgment against those directors and officers not resident in Canada.

Permits

The Company's current and anticipated future operations, including further exploration and development activities on the Company's properties, including the Sikasso Property, require permits from various governmental authorities. There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company.

Gold Price

The ability of the Company to raise capital is dependent on the price of gold. Gold prices fluctuate on a daily basis and are affected by a number of factors beyond the control of the Company, including the U.S. dollar exchange rate with other currencies, central bank lending and sales, producer hedging activities, global demand, production costs, confidence in the global monetary system, expectations of the future rate of inflation, the availability and attractiveness of alternative investment vehicles, the strength of the U.S. dollar (the currency in which the price of gold is generally quoted), interest rates, terrorism and war, and other global or regional political or economic events or conditions.

The future trend in the price of gold cannot be predicted with any degree of certainty. The market price of gold affects the economics of any potential development project and the viability of current operations, as well as having an impact on the perceptions of investors with respect to gold equities and, therefore, the ability of the Company to raise capital. A decrease in the market price of gold and other metals could affect the Company's ability to finance the exploration and development of the Company's properties could curtail further exploration or development due to lack of capacity to finance. There can be no assurance that the market price of gold will remain at current levels, that such prices will increase or that market prices will not fall.

Currency Risk

By virtue of the location of its exploration activities, the Company incurs certain costs and expenses in Malian currency. The currency of Mali is the West African CFA franc ("CFAF"). Exchange rates historical and may in the future vary substantially. Financings by the Company typically raise funds

in Canadian dollars. The majority of exploration expenditures are incurred in CFAF exposing the Company to potential significant foreign currency translation and transaction exposures, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. The Company currently does not hedge against other currencies and maintains the majority of its cash in Canadian dollars.

Government Regulation

The exploration and development activities of the Company require licenses, permits or other approvals from various federal, provincial and local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration and development activities may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the Company's operations. Where required, obtaining necessary permits can be a complex, time consuming process and the Company cannot assure that any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with certain exploration or development activities. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and or to maintain continued operations that economically justify the cost.

Operating Hazards and Risks

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs.

Environmental Compliance

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to permitting, property reclamation, discharge of hazardous material and other matters. These laws and regulations may change at any time prior to the granting of necessary approvals. The support of local politicians and/or communities may be required to obtain necessary permits and approvals and such support cannot be assured.

Conflicts of Interest of Directors

Certain of the directors of the Company are associated with other companies involved in the mining industry. These associations may give rise to conflicts of interest from time to time. The Company's policy on conflicts of interest complies with the procedures established in the *Business Companies Act* (Ontario), which sets out the necessity of full disclosure of any conflict of interest prior to the Board dealing with the subject matter giving rise to the conflict of interest and the interested party refraining from voting on such matter. The directors are further required to act honestly and in good faith with a view to the best interests of the Company and its shareholders.

The Company is Dependent on Key Officers and Employees

The Company is dependent on the efforts of key officers, including its Chief Executive Officer and Exploration Manager. The loss of the services of any of the Company's key officers and employees could have an adverse effect on the Company, which could have a material adverse effect on the Company's future cash flows, earnings, results of operations and financial conditions. The Company does not have and currently has no plans to obtain key man insurance with respect to any of its key employees. In addition, the Company may need to recruit and retain other qualified managerial and technical employees to build and maintain its operations. If the Company requires such persons and is unable to successfully recruit and retain them, its development and growth could be significantly curtailed.

Limited Operating History

An investment in securities of the Company should be considered highly speculative due to the nature of the Company's business. The Company has no history of earnings, it has not paid any dividends and it is unlikely to enjoy earnings or pay dividends in the immediate future. None of the Company's properties have commenced commercial production and the Company has no history of earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that the Company will be able to develop any of its properties profitably or that its activities will generate positive cash flow.

Furthermore, the Company may be subject to legal proceedings and/or judgments in foreign jurisdictions.

13. AUDIT COMMITTEE UPDATE

The Company's Audit Committee is currently comprised of Messrs. James Henderson (Chairman), Joseph Conway and William Pugliese.

Each of Messrs. Joseph Conway and William Pugliese is considered to be "independent" within the meaning of National Instrument 52-110 *Audit Committee* ("**NI 52-110**"). Mr. Henderson is not considered to be "independent" within the meaning of NI 52-110 as a result of his previous role as an officer of Mali Gold Exploration Pty Ltd, which became a wholly-owned subsidiary of the Company.

Mr. Henderson has previously been disclosed, incorrectly, as being "independent" within the meaning of 52-110 in certain prior disclosure documents of the Company, including the Company's most recent management information circular dated as of August 21, 2018. The Company hereby confirms that Mr. Henderson is currently not considered to be "independent" within the meaning of 52-110.

14. ADDITIONAL INFORMATION

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

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Larry Phillips (CEO and Director))

Madani Diallo, (Director)

Joseph Conway (Director)

William Pugliese (Director)

Louis Nagy (CFO and Corporate Secretary)

Members of the Audit Committee

James Henderson

Joseph Conway

William Pugliese

Members of the Compensation Committee

James Henderson

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