

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Compass Gold Corporation (the “Company”)  
365 Bay Street, Suite 800  
Toronto, ON M5H 2V1

**Item 2. Date of Material Change**

November 21, 2019

**Item 3. News Release**

A news release was disseminated on November 21, 2019 via a Canadian news wire service. A copy of the news release has been filed on SEDAR and is attached hereto as Schedule “A”.

**Item 4. Summary of Material Change**

Announcement that the Company closed a non-brokered private placement for aggregate gross proceeds of \$5,387,275 (the “Offering”). The Company issued 15,392,210 common shares in the capital of the Company (“Shares”) at a price of \$0.35 per Share.

**Item 5.1. Full Description of Material Change**

Please refer to the press release attached hereto as Schedule “A”.

**Related Party Transaction**

Larry Phillips, the President & CEO of the Company, participated in the Offering as an investor and subscribed for 150,000 Shares for an aggregate amount of \$52,500. After giving effect to the Offering, Larry Phillips owns or controls 2.29% of the total issued and outstanding Shares on a non-diluted basis.

Joe Conway, a director of the Company, participated in the Offering as an investor and subscribed for 142,857 Shares for an aggregate amount of \$50,000. After giving effect to the Offering, Joe Conway owns or controls 0.63% of the total issued and outstanding Shares on a non-diluted basis.

Bill Pugliese, a director of the Company, participated in the Offering as an investor and subscribed for 285,714 Shares for an aggregate amount of \$100,000. After giving effect to the Offering, Bill Pugliese owns or controls 4.09% of the total issued and outstanding Shares on a non-diluted basis.

Madani Diallo, a director of the Company, participated in the Offering as an investor and subscribed for 10,000 Shares for an aggregate amount of \$3,500. After giving effect to the Offering, Madani Diallo owns or controls 5.88% of the total issued and outstanding Shares on a non-diluted basis.

Louis Nagy, the Chief Financial Officer of the Company, participated in the Offering as an investor and subscribed for 20,000 Shares for an aggregate amount of \$7,000. After giving effect to the Offering, Louis Nagy owns or controls 0.07% of the total issued and outstanding Shares on a non-diluted basis.

By virtue of the foregoing participation by the insiders, the Offering constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

The related party transaction requires the Company, in the absence of exemptions, to obtain a formal valuation and minority shareholder approval pursuant to MI 61-101. The Company has determined that an exemption is available from the formal valuation requirement under Section 5.5(b) of MI-61-101 and an exemption is available from the minority shareholder approval requirement under Section 5.7(1)(a) of MI 61-101.

The Board has approved the Offering and is satisfied that the insiders of the Company participating in the Offering would not be receiving preferential treatment vis-à-vis the other subscribers under the Offering and that all shareholders are being treated equally. No contrary view was raised by any director with respect to the related party transaction.

The Company did not file a material change report 21 days before the closing of the Offering as the principal terms of the Offering and the participation therein by related parties of the Company were not finalized until, or close to, the date of the closing.

**Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Executive Officer**

The following executive officer of the Company is knowledgeable about the material change and this report:

Louis Nagy, Chief Financial Officer  
Telephone: (416) 596-0996

**Item 9. Date of Report**

November 29, 2019

**SCHEDULE "A"**  
**NEWS RELEASE**

Please see attached.



**Not for distribution to United States newswire services or for dissemination in the United States**

## **COMPASS GOLD CLOSES \$5,387,275 PRIVATE PLACEMENT**

### **Initiating Drilling on Farabakoura Trend**

**Toronto, Ontario – November 21, 2019** – Compass Gold Corporation (TSX-V: CVB) (“Compass” or the “Company”) announced today that it has issued, on a non-brokered private placement basis, a total of 15,392,210 common shares of the Company, at a price of \$0.35 per share, for aggregate gross proceeds of \$5,387,275 pursuant to the closing of its previously announced private placement (the “Offering”) (see *Compass news releases dated November 4 and 7, 2019*).

**Larry Phillips, Compass Gold’s President and CEO**, said, “Thanks to the continuing support of our existing shareholders and the endorsement of our newest strategic investor, SEMAFO, we are fully funded for the coming year of aggressive exploration. We will waste no time putting these additional resources to work. Our team has identified the locations of the first set of drill holes, and the drill pads have been prepared. Tomorrow, the drilling begins. We look forward to an exciting year for Compass Gold and our shareholders.”

A finder’s fee of 6% in cash was paid to certain finders on a portion of the Offering, subject to compliance with the policies of the TSX Venture Exchange and applicable securities legislation. In addition, Beacon Securities Limited and INFOR Financial Inc., advisors to the Company in connection with the Offering, were issued 100,000 compensation shares each as compensation for such services.

Insiders of the Company purchased an aggregate of 608,571 shares under the Offering, for aggregate consideration of \$213,000. Such participation is considered a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). Participation by insiders in the Offering was exempt from: (i) the valuation requirements of MI 61-101 by virtue of the exemption contained in Section 5.5(b) of MI 61-101, as the Company is listed only on the TSX Venture Exchange; and (ii) the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as at the time the Offering was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Offering, insofar as it involved interested parties, exceeded 25 per cent of the market capitalization of the Company.

All the shares issued pursuant to the Offering are subject to a hold period expiring four months and one day after the date of issuance.

### **Aggressive Drill Program Starting**

The Company also notes that drilling will commence tomorrow in connection with its previously announced (*see Compass news release dated November 6, 2019*) field work program, following the end of the rainy season. This program involves an aggressive drill campaign of more than 10,000 metres on the Farabakoura Trend, comprising the Farabakoura and Kabangoué artisanal workings, and the high-priority Boumban prospects, on its Sikasso Property in southern Mali.

This initial activity is to include 2,000 metres of reverse circulation (RC) drilling on the Ouassada permit, focused primarily on Farabakoura, and including Kabangoué, to test the strike extension of several NE-trending vein swarms that appear to control high-grade mineralization.

### **Early Warning Disclosure**

On November 20, 2019, SEMAFO Inc. ("SEMAFO"), subscribed for and acquired 5,714,286 common shares of Compass, having an aggregate purchase price of \$2,000,000.10, pursuant to the Offering. SEMAFO held no common shares of Compass prior to the completion of the Offering. The common shares acquired by SEMAFO represent approximately 10.5% of the issued and outstanding common shares of Compass following completion of the Offering. SEMAFO holds no additional options, warrants or other securities convertible into or exchangeable for common shares of Compass.

All securities of the Company held by SEMAFO are held for investment purposes and Semafo has no present intention to dispose of or acquire further Compass common shares. Although SEMAFO has no preferred subscription or other anti-dilution right, it may in the future, participate in Compass financings or acquire or sell Compass common shares in the market, privately or otherwise, as circumstances or market conditions may warrant.

A copy of the early warning report filed by SEMAFO in connection with completion of the Offering may be obtained from SEMAFO by contacting Eric Paul-Hus, Vice-President, Law, Chief Compliance Officer and Corporate Secretary at (514) 744-4751 (3364) and will be available under Compass's profile on SEDAR ([www.sedar.com](http://www.sedar.com)). The head office of SEMAFO Inc. is located at 100 Boulevard Alexis-Nihon, 7<sup>th</sup> floor, Saint-Laurent, Québec H4M 2P3.

The securities offered pursuant to the Offering have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration requirements. This release does not constitute an offer for sale of securities in the United States.

### **About Compass Gold Corporation**

Compass, a public company having been incorporated into Ontario, is a Tier 2 issuer on the TSX Venture Exchange. Through the 2017 acquisition of MGE and Malian subsidiaries, Compass

holds gold exploration permits located in Mali that comprise the Sikasso Property. The exploration permits are located in three sites in southern Mali with a combined land holding of 854 km<sup>2</sup>. The Sikasso Property is located in the same region as several multi-million ounce gold projects, including Morila, Syama, Kalana and Kodiéran. The Company's Mali-based technical team, led in the field by Dr. Madani Diallo and under the supervision of Dr. Sandy Archibald, P.Geo, is executing a new exploration program. They are examining numerous anomalies noted for further investigation in Dr. Archibald's August 2017 "National Instrument 43-101 Technical Report on the Sikasso Property, Southern Mali."

**Forward-Looking Information**

*This news release contains "forward-looking information" within the meaning of applicable securities laws, including statements regarding the Company's planned exploration work and management appointments. Readers are cautioned not to place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by such information. The statements in this news release are made as of the date hereof. The Company undertakes no obligation to update forward-looking information except as required by applicable law.*

For further information please contact:

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