



## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30 2022

*The following management discussion and analysis (the "MD&A") of financial results is dated November 28, 2022, and reviews the business activities of Compass Gold Corporation ("Compass" or the "Company") and its subsidiaries, for the nine months ended September 30, 2022, 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 nine months ended September 30, 2022, and the notes attached thereto ("Financial Statements"), as well as the audited consolidated financial statements for the year ended December 31, 2021 and related MD&A. This MD&A and the accompanying Financial Statements 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 ensuring 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 September 29, 2022, the Company provided an update on the recently completed resampling and assaying at the Massala West prospect on its Sankarani permit in Southern Mali.
- On August 29, 2022, the Company provided an update on the recently completed deep bedrock drilling on four prospects on the new Moribala permit, located on the Company's permit area collectively known as the Sikasso Property in Southern Mali.
- On June 3, 2022, the Company announced that it had issued, on a non-brokered private placement basis, a total of 7,298,668 units of the Company ("**Units**"), at a price of \$0.15 per Unit, for aggregate gross proceeds of approximately \$1.1 million pursuant to the closing of its previously announced private placement. Each Unit consisted of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"), with each Warrant entitling the holder thereof to purchase one additional Common Share at a price of \$0.30 for a period of three years from the date of issuance, subject to the potential acceleration of the expiry date of the Warrants as described in the Offering.
- On April 19, 2022, the Company provided an update on the recently completed remote sensing study completed on the Moribala permit, located on the Company's permit area in southern Mali, collectively known as the Sikasso Property.

- On March 31, 2022, the Company provided an update on the recently completed first-pass drilling on four areas on the new Moribala permit on the Sikasso Property.
- On February 15, 2022, the Company announced that it had launched a fully-funded 1,000 m air-core follow-up drill program on the Moribala permit.
- On January 18, 2022, the Company reported that the recently completed deep auger drilling program at Moribala confirmed the presence of deeper gold anomalism previously identified by licence-wide shallow soil sampling and that geochemistry suggests at least three 1-km-long target zones are present on the 12 km of faults on the permit.

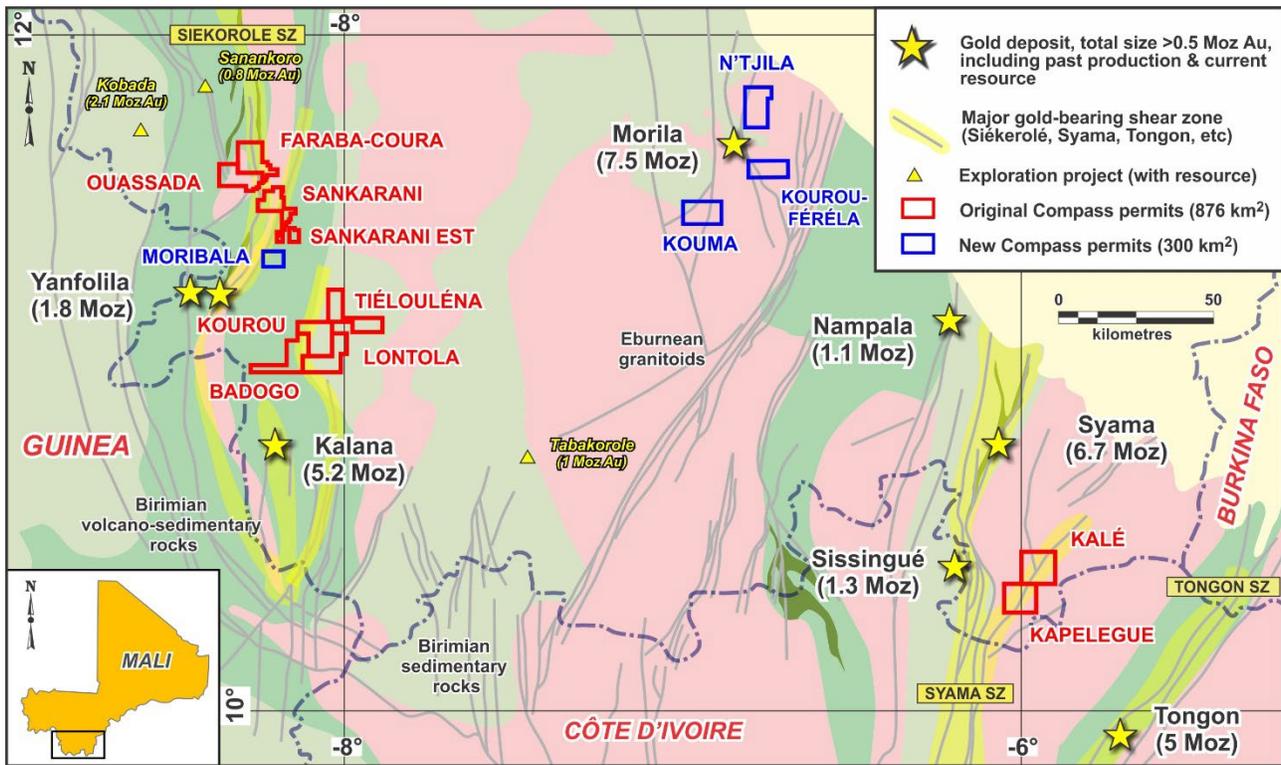
## 1. COMPANY OVERVIEW

Compass was incorporated on July 1, 2002, under the laws of Alberta and subsequently continued into Ontario and is a Tier 2 issuer on the TSX- V. Through the November 2017 acquisition of Mali Gold Exploration Pty Ltd ("MGE") and Malian subsidiaries, Compass holds gold exploration permits located in Mali that comprise the Sikasso Property. The exploration permits are located on four sites in southern Mali with a combined landholding currently consisting of 1,176 square kilometres (sq. km). Compass's exploration permits are located in the same region as several 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 conducting the planned exploration program. They are examining the numerous anomalies first noted for further investigation in Dr. Archibald's August 2017 "National Instrument 43-101 Technical Report on the Sikasso Property, Southern Mali," (**"the Technical Report"**).

## 2. MINERAL PROPERTY

### **A) OVERVIEW**

MGE holds, through its Malian subsidiaries, fourteen (14) gold exploration permits in Mali, West Africa covering a total area of 1,176 sq. km in established gold producing regions of Mali (**Figure 1**). The Company has now taken over MGE's business of gold exploration in Mali.



**Figure 1.** Location of original permit outlines (red) and additional permit added in 2021 (blue).

## Permit Renewals

On February 20, 2019, the Company provided an update on the renewal of the permits that comprise its Sikasso Property area. It was noted that the Mali Ministry of Mines, Energy and Water had accepted the new permit boundaries and areas that comprise the Sikasso Property. The five original permits were increased to ten new permits each with a maximum area of 100 sq. km and which are in good standing until the next renewal date in 2024. In October 2021, the Malian Ministry of Mines, Energy and Water signed the Mining Conventions for four additional permits totaling 300 sq. km (**Table 1**). The three permit Mining Conventions in the vicinity of the Morila mine (N'Tjila, Kourouféréla, and Kouma) are in joint venture with La Société GT-Mining and Geology Services SARL. Due to a limit of three permits per applicant, Compass has set up a new subsidiary, Compass Gold Mining SARL. The Mining Convention for the fourth area, Moribala, was approved for Mali Gold Exploration SARL. According to the Mining Code and the Mining Convention, the state has 45 days to deliver the permit. The state has not issued the final permits, but Compass has proceeded with exploration which is allowed under the Mining Convention. Mining Conventions are valid for 20 years and allow preliminary exploration activity.

**Table 1.** Sikasso Property permits

Permit	Area (sq. km)	New Permit Name	Area (sq. km)	Arrêté / Convention Date	Compass Subsidiary
Ouassada	179	Faraba-Coura	94	2018-09-04	SERM SARL
		Ouassada	86	2018-10-17	SERM SARL
Sankarani	250	Sankarani	74	2018-10-05	SERM SARL
		Sankarani Est	13	2018-10-05	MGE SARL
Kourou	250	Kourou	100	2018-07-31	REM SARL
		Badogo	100	2018-07-31	REM SARL
		Lontola (partial)	100	2018-10-30	ML Commodities Mali SARL
Tiélouléna	250	Tiélouléna	100	2018-07-31	REM SARL
		Lontola (partial)	100	2018-10-30	ML Commodities Mali SARL
Kalé	250	Kalé	100	2018-09-04	ML Commodities Mali SARL
		Kapélégué	100	2018-10-03	ML Commodities Mali SARL
Moribala	34	Moribala	33	2021-10-18	Mali Gold Exploration (MGE) SARL
N'Tjila	103	N'Tjila	100	2021-10-08	Binding MOU with Compass Gold Mining SARL
Kourouféréla	72	Kourouféréla	70	2021-10-08	Binding MOU with Compass Gold Mining SARL
Kouma	91	Kouma	90	2021-10-08	Binding MOU with Compass Gold Mining SARL

## Expenditures and Commitments

The Company has incurred exploration and development expenditures of \$1,055,189 for the nine months ended September 30, 2022 compared to \$4,045,119 for the year ended December 31, 2021 (**Table 2.**)

The Company initiated its first exploration program on November 29, 2017 (the day of acquisition of MGE.) The actual expenditures made from this inception date to September 30, 2022 are \$16,711,571, plus the cost of acquired machinery and equipment in the amount of \$45,998 (net of amortization). For further information, please refer to note 5 of the related financial statements for the nine months ended September 30, 2022. As of September 30, 2022, the Company had incurred \$6,172,837 of acquisition costs of MGE.

**Table 2:** Exploration expenditures includes the following items as of September 30, 2022:

	Nine months ended September 30, 2022 \$	Year ended December 31, 2021 \$	Year to date (since inception) September 30, 2022 \$
Project Management and administrative	261,238	554,388	2,562,144
Licensing Costs / Property	3,899	228,748	601,594
Drilling and Assay	589,556	2,036,516	7,950,525
Field work support	148,160	816,919	3,962,241
Technical studies	66,803	183,100	1,285,877
VAT recoverable related to expenditures	(14,467)	225,448	349,190
<b>Total Expenditures</b>	<b>1,055,189</b>	<b>4,045,119</b>	<b>16,711,571</b>

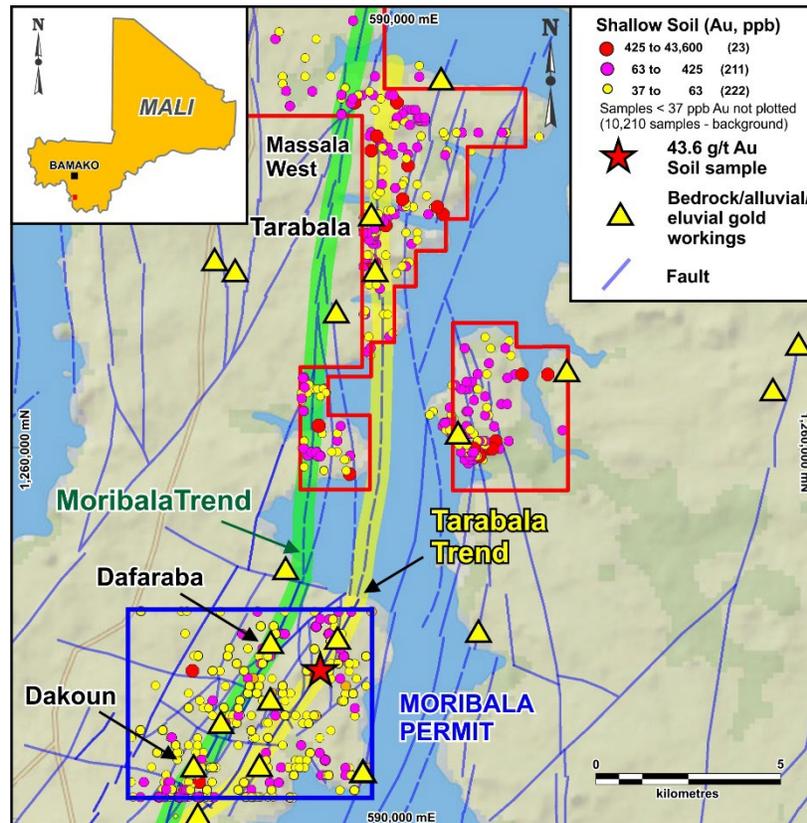
During fiscal 2021, the Company renewed the permits comprising the Property to extend the life of the licences for conducting mineral exploration. As a result of this process, the permits have been renewed and the Company has committed to exploration expenditures over the next three years as follows:

Year/Work Program (\$)	Phase 1	Phase 2	Future Phases	Total
First Year	2,019,918	-	-	2,019,918
Second Year	-	3,255,738	-	3,255,738
Third Year	-	-	4,264,710	4,264,710
<b>Total</b>	<b>2,019,918</b>	<b>3,255,738</b>	<b>4,264,710</b>	<b>9,540,366</b>

## **B) CURRENT ACTIVITIES -Fiscal 2022**

### Summary

On September 29, 2022, the Company provided an update on the recently completed resampling and assaying at the Massala West prospect on the Sankarani permit, located on the Company's Sikasso Property in southern Mali (**Figure 2**).

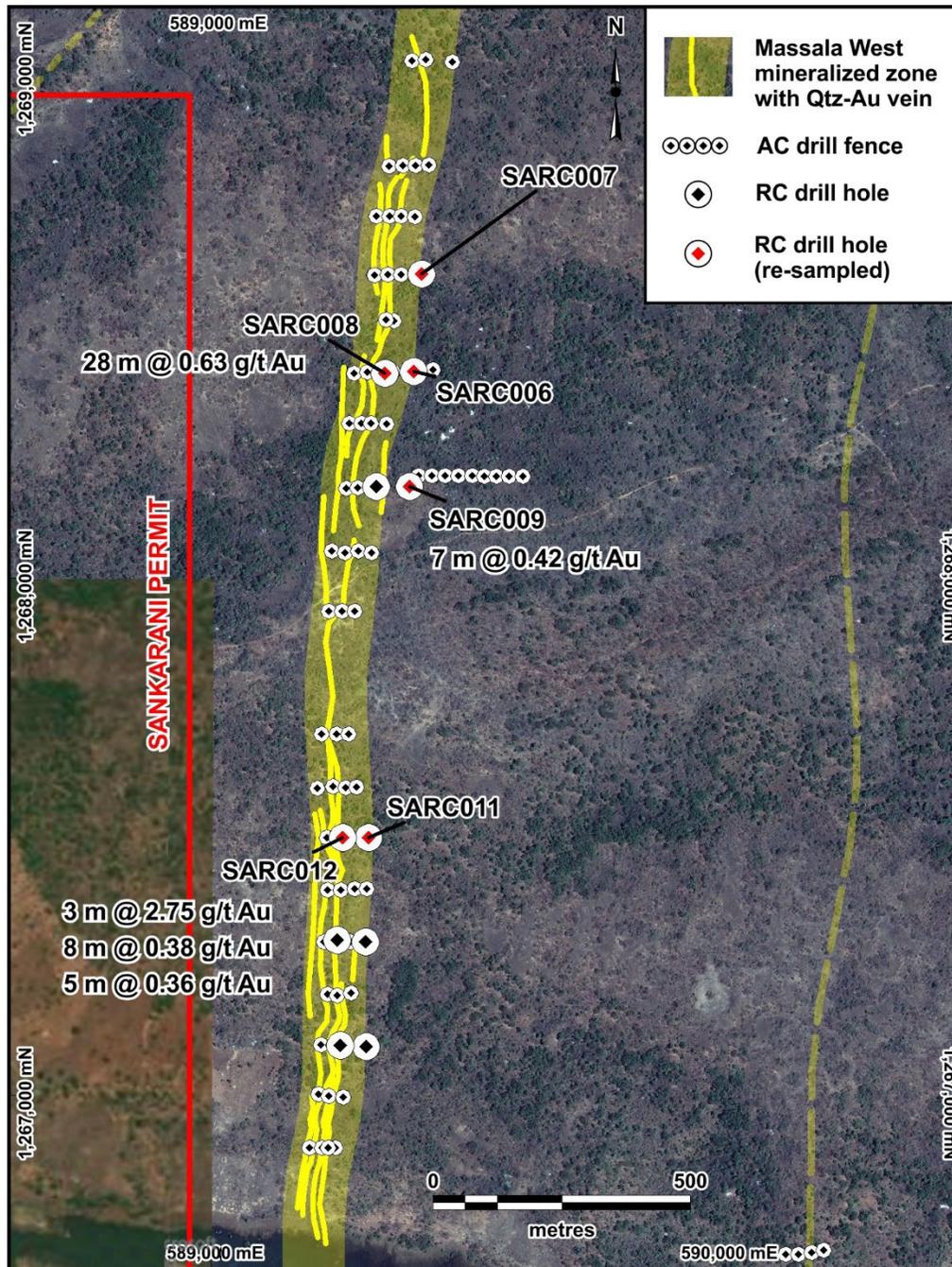


**Figure 2:** Location of the Massala West prospect with respect to mineralized structures in the area.

As previously reported, initial drilling results over the artisanal workings at **Dakoun** and **Dafaraba** on the Moribala permit (**Figure 2**) were at odds with the gold recoveries noted by the artisanal miners. Company geologists suspected that the variable sizes of the gold's distribution (i.e., it was "nuggety") resulted in lower grades from the initial RC rock chip samples submitted to the lab. To test this hypothesis, coarse field rejects from the RC program were washed and sieved to separate the quartz vein material from the weathered wall rock and friable vein material (now clays). The results of this work showed that gold grades were typically significantly higher in the quartz vein fragments than in the weathered rock, and the overall recombined grades were higher. A similar approach was taken 15 km along strike at the **Massala West** prospect located on the Sankarani permit.

A total of 287 samples were collected from waste bags at six previously drilled RC holes at Massala West on four fence lines over a distance of 1,100 m (**Figure 3**). The holes tested quartz veins within the mineralized zone (SARC07, 08, 09, 12), and outside the zone (SARC06 and 11). The results showed that most assays of the weighted average recombined sample were higher than the original

assay and the mineralized intervals were wider (**Table 3**). The maximum interval was **28 m @ 0.63 g/t Au** (from 24 m in SARC08). Previous sampling of this same zone identified two zones at 3 m @ 0.69 g/t Au (from 24 m) and 5 m @ 0.59 g/t Au (from 45 m). The largest increase in grade was recorded from SARC12. Previous sampling returned 3 m @ 0.43 g/t Au (from 19 m; including 2 m @ 0.62 g/t Au) and the new sampling from the same intercept returned **3 m @ 2.75 g/t Au**. An 8 m interval in the same hole showed a modest decrease from an average of 0.55 g/t Au in the original assaying to 0.38 g/t Au in the new assaying.



**Figure 3:** Location of the drillholes used in the re-sampling study.

From the total of 287 samples analysed, 258 were from holes within the mineralized zone. Fifty-eight percent (58%) of the latter samples showed an increase in the gold content in the recombined samples compared to the original assays. The average increase for these samples from the mineralized zone was 0.27 g/t Au.

A similar exercise was not possible at the Tarabala prospect, as the waste bags had been either processed by the artisanal miners, or the bags had degraded in the sun.

The results of the study presented in **Table 3** demonstrate that gold is more commonly found associated with the quartz veins, and a larger sample size helps to recover more of the gold, suggesting a “nugget” effect is present.

**Table 3.** Comparison between original assay results and assays from quartz vein and clay fractions from RC drill holes at Massala West

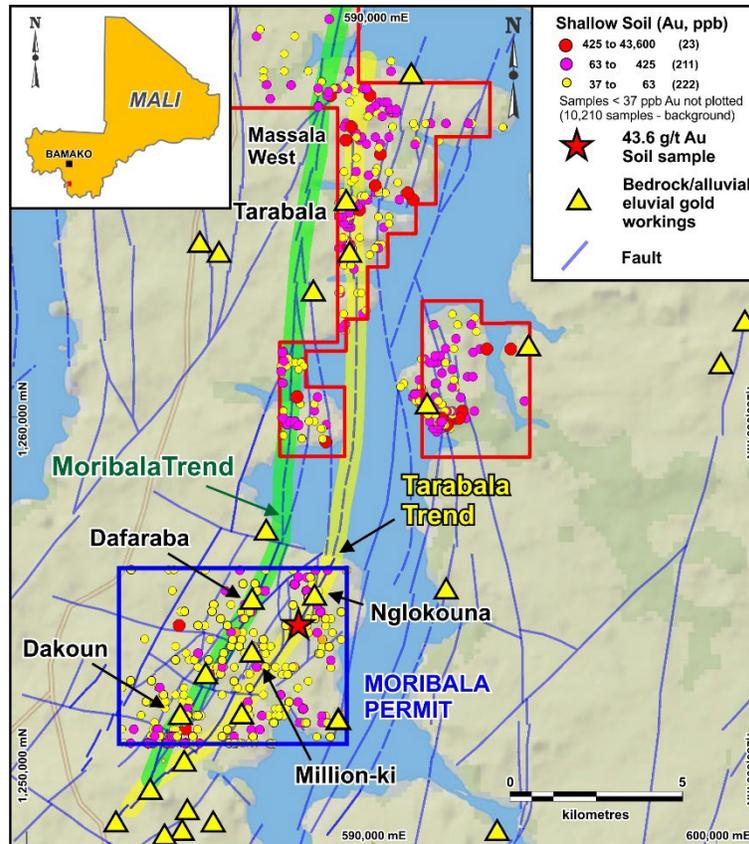
Hole ID	From (m)	To (m)	<sup>1</sup> Interval (m)	Au (g/t) Original Assay	Au (g/t) Quartz Fraction	Au (g/t) Clay Fraction	<sup>2</sup> Au (g/t) Recombined	Percent difference between original and recombined samples
SARC06	54	55	1	1.86	4.28	0.81	1.15	-38%
SARC07	71	77	6	0.27	0.18	0.29	0.26	-3%
SARC08	24	52	28	0.30	1.06	0.59	0.63	107%
inc	24	27	3	0.69	2.63	1.27	1.54	124%
inc	45	51	6	0.52	0.57	0.62	0.61	17%
inc	66	71	5	0.26	1.41	0.72	0.75	189%
SARC09	69	76	7	0.22	0.14	0.45	0.42	87%
SARC11	45	46	1	0.05	2.33	0.38	0.77	1476%
SARC12	19	22	3	0.43	0.67	2.80	2.75	540%
SARC12	46	54	8	0.55	0.24	0.38	0.38	-32%
SARC12	63	68	5	0.10	0.23	0.38	0.36	257%

<sup>1</sup>True thicknesses are interpreted as 70-90% of stated intervals.

<sup>2</sup>Quartz and clay fractions grades have been combined based on the volume fraction observed during drilling. Caution is advised.

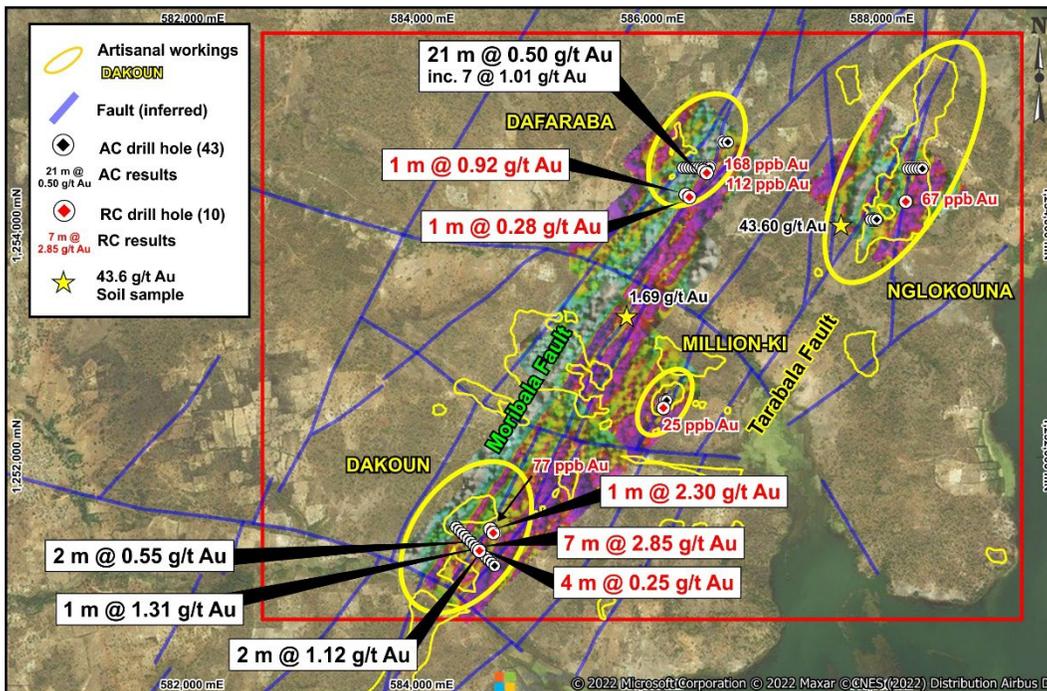
On August 29, 2022, the Company provided an update on the recently completed deep bedrock drilling on four prospects on the new Moribala permit, located on the Company’s Sikasso Property in Southern Mali.

Ten reverse circulation (RC) holes (833 m) were drilled in late June on four prospects (Dafaraba, Ngolokouna, Million-ki, and Dakoun) on the Moribala permit (**Figures 4 and 5**). These areas had been previously drilled by air core (AC) drilling, and two prospects (Dafaraba and Dakoun) had encountered encouraging results. The Ngolokouna and Million-ki prospects did not identify gold mineralization in the AC program. However, the abundance of active artisanal mining operations and a clear correlation with ground geophysics and remote sensing studies suggested that the shallow AC drilling might have drilled through areas that had been mined out. It was therefore decided that a single deep RC hole should be drilled on each prospect in an area of artisanal workings.



**Figure 4:** Location of the Moribala permit (blue rectangle) relative to mineralization in the area.

The best mineralization encountered during the RC drilling was reported from the **Dakoun** prospect where the previous twenty-hole AC program had intercepted several short intervals of mineralization, including 2 m @ 1.12 g/t Au (from 21 m). The summary results are presented in **Table 4** and illustrated on **Figure 5**. MORC07 intercepted **7 m @ 2.85 g/t Au** (from 70 m), including 6 m @ 3.29 g/t Au (from 70 m), and MORC08 intercepted shallow low-grade mineralization of 4 m @ 0.25 g/t (from 34 m). MORC08 was designed to test deeper mineralization, but had to be stopped before the target structure was reached due to poor ground conditions. Holes MORC09 and MORC010 were drilled 220 m to the NE to test the strike potential of the structure identified from ground geophysics. MORC09 was barren, but MORC010 contained three mineralized intervals over a length of 11 m, which included 1 m @ 2.30 g/t Au (from 56 m; **Table 4**). This indicates the structure is present, and the gold content is highly variable.



**Figure 5:** Latest RC drilling results (red labels) and previous AC drilling results (black labels).

Four holes (totalling 347 m) were drilled at **Dafaraban**, the northwest of the Moribala permit over the interpreted Moribala Fault (**Figure 5**). Previous drilling in the area had identified a wide zone of shallow gold mineralization returning 21 @ 0.50 g/t Au (from 1 m), including 7 m @ 1.01 g/t Au (from 1 m). The purpose of MORC01 and MORC02 was to intercept this mineralization at depth to determine the down-dip continuity. Neither hole encountered mineralization, with the highest gold content being 0.17 g/t Au in MORC01. It is very likely that the drilling missed the structure due to the angle of the hole (i.e., the mineralization is associated with a cross fault on the Moribala fault.) Two additional holes were drilled 280 m to the southwest over the interpreted location of the Moribala fault. These holes returned narrow mineralized intervals of 1 m @ 0.92 g/t Au (from 26 m; MORC03) and 1 m @ 0.28 g/t Au (from 14 m; MORC04). None of the holes were associated with artisanal workings, the closest workings being 200 m to the northwest of MORC01.

At **Nglokouna**, a prospect characterized by abundant active artisanal workings, a shallow soil sample collected at its edge contained 43.6 g/t Au. This prospect covers an area of 0.5 sq. km and follows the interpreted Tarabala fault over a distance of 1.9 km (**Figure 5**). Despite the clear evidence of gold being recovered in the vicinity, air core drilling returned only weak mineralization (grades less than 0.6 g/t Au over 1 m) and the single deep RC hole there (MORC05 for 54 m) recorded a maximum gold content of 67 ppb Au. Similar results were obtained at the **Million-ki** prospect, where drilling beneath workings that follow a fault parallel to the Moribala and Tarabala fault returned only 25 ppb Au.

**Table 4.** Mineralized intervals greater than 0.2 g/t Au identified during recent drilling at Moribala

Hole ID	From (m)	To (m)	<sup>1,2</sup> Interval (m)	Au (g/t)
MORC003	26	27	1	0.92
MORC004	14	15	1	0.28
<b>MORC007</b>	<b>70</b>	<b>77</b>	<b>7</b>	<b>2.85</b>
inc	70	76	6	3.29
MORC008	34	38	4	0.25
inc	34	35	1	0.44
inc	36	38	2	0.27
MORC010	46	47	1	0.33
MORC010	52	54	2	0.47
MORC010	56	57	1	2.30

<sup>1</sup>True thicknesses are interpreted as 60-90% of stated intervals.

<sup>2</sup>Intervals use a 0.2-gram-per-tonne gold cut-off value

The results of the drilling at the **Nglokouna** and **Million-ki** are clearly at odds with the evidence of gold recovery by the local artisanal miners. All four of the main prospects at Moribala are associated with surficial mining, and all four have returned variable AC and RC drilling results. There is clear support for surficial enrichment due to weathering, and artisanal miners have recovered coarse-grained gold.

Similar gold variability is seen at depth from the drilling at **Dakoun** and **Dafaraba**, and was investigated by a preliminary study where the course field rejects from the RC program were washed and sieved to separate the quartz vein material from the weathered wall rock and friable vein material (now clays). The results of this selected assaying program are shown in **Table 5**. MORC01, MORC03, and MORC04 (all from **Dafaraba**) show elevated gold values in the quartz vein fraction (up to 7.47 g/t Au) compared to the original assay (47 ppb or 0.047 g/t Au). MORC04 also contains an unrecognized mineralized zone of 15 m @ 0.22 g/t Au, which corresponds to the Moribala fault that the drilling targeted.

**Table 5.** Comparison between original assay results and assays from quartz vein and clay fractions from RC drill holes at Moribala

Hole ID	From (m)	To (m)	<sup>1</sup> Interval (m)	<sup>2,3</sup> Au (ppb) Original Assay	<sup>2,3</sup> Au (ppb) Quartz Fraction	<sup>2,3</sup> Au (ppb) Clay Fraction
MORC01	11	12	1	11	3,170	39
MORC03	22	23	1	111	385	-
MORC03	25	26	1	47	7,470	-
MORC03	26	27	1	923	42	-
MORC03	40	41	1	39	213	-
<b>MORC04</b>	<b>16</b>	<b>31</b>	<b>15</b>	<b>55</b>	<b>219</b>	-
MORC07	70	77	7	2,852	1,277	1,826
Inc	69	77	8	2,854	1,502	1,876
MORC08	34	38	4	251	2,355	70
<b>MORC08</b>	<b>32</b>	<b>43</b>	<b>11</b>	<b>134</b>	<b>1,557</b>	<b>70</b>
MORC10	4	5	1	90	2860	24

<sup>1</sup>True thicknesses are interpreted as 60-90% of stated intervals.

<sup>2</sup>Quartz and clay fractions grades have not been corrected for weight or volume fraction. Caution is advised.

<sup>3</sup> 1,000 ppb Au equals 1 ppm Au, or 1 g/t Au

At **Dakoun**, reassaying of MORC07 showed the original assay results to be higher than the two fractions (2,584 ppb Au versus 1,277 ppb Au for the quartz fraction and 1,826 ppb Au for the clay fraction). In drill hole MORC08, an interval with 4 m @ 0.25 g/t Au was increased to 4 m @ 2.35 g/t Au (by using the quartz fraction), which was part of a much wider intercept of 11 m @ 1.56 g/t Au.

Caution must be taken with these results since they represent fractions of the rock material over the stated interval. However, they clearly demonstrated that there is a variability of gold grade within the mineralized target zone, and the variability is likely caused by coarse-grained (“nuggety”) gold associated with the quartz veins. Additional sampling and assaying of the surface workings and RC drill cuttings at Moribala, Massala West and Tarabala have been started to determine the degree of the nugget effect in these areas. Results are pending.

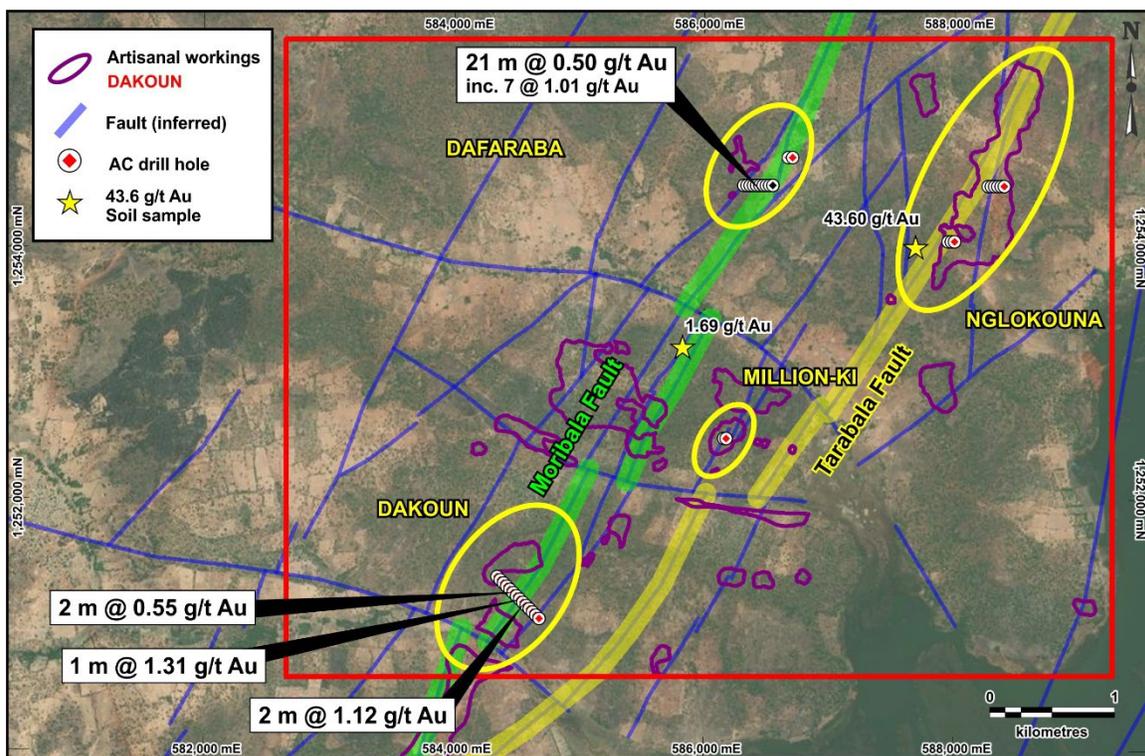
On June 30, 2022, the Company provided an update on the recently completed first-pass drilling on four areas on the new Moribala permit (**Figure 6**). Forty-three shallow air core (AC) holes (2,110 m) were drilled in nine fences on the Moribala permit in mid-February to early March. Most of the holes were drilled to test strong to moderate gold anomalism found in shallow soil samples, as well as clearly defined targets interpreted from ground Gradient IP geophysics. Two holes were drilled on an area of workings with slight soil geochemical anomalism, but not associated with the two large faults bisecting the permit.

The best mineralization was reported from the Dafaraba area where a ten-hole fence and a two-hole fence were drilled 270 m apart along a 930-m target corresponding to the Moribala Fault (**Figure 1**). The predicted mineralized structure was encountered in drill hole MOAC012, with a 7-m @ 1.01 g/t Au (from surface) interval intercepted within 21 m @ 0.50 g/t Au (from surface.) The mineralization is interpreted to be steeply dipping to the west. Two mineralized intervals were noted in hole MOAC011 to the east, including 1 m @ 1.09 g/t Au. Hole MOAC020 drilled 270 m to the northeast intersected minor mineralization (1 m @ 0.48 g/t Au from 28 m depth) indicating the structure is present along strike. This same hole contained a 4 m void at shallow depths (15-19 m) suggesting

vein material had likely been removed by artisanal miners. A longer drill fence line is needed to ensure that the structure is adequately tested.

Two short fences (9 holes, totalling 436 m) were drilled at Nglokouna in the northeast of the Moribala permit over the interpreted Tarabala Fault zone (**Figure 6**). Ground geophysics indicated the presence of at least four northeast-trending structures cutting the artisanal workings present over a distance of 1.8 km. Narrow intervals (1 m) of gold mineralization were noted in two drill holes, with grades less than 0.6 g/t Au. Additional drilling is required to fully test this prospect, which includes a newly-identified structure that appears to be related to a shallow soil sample that contained 43.6 g/t Au.

The longest fence (20 holes, totalling 981 m) was drilled at Dakoun in the southwest of the permit on the Moribala fault. This area was selected for drilling based on the presence of sporadic artisanal workings found over 2 km and a width of 350 m. The workings correlated with several north-east trending faults, and a disrupted chargeability zone, both determined by ground geophysics. Seven of the thirteen holes drilled across the main 350 m anomaly were mineralized, with the best intercept being **2 m @ 1.12 g/t Au** (from 21 m).



**Figure 6:** Location of the air core drilling sites at Moribala. Best gold intercepts are labelled.

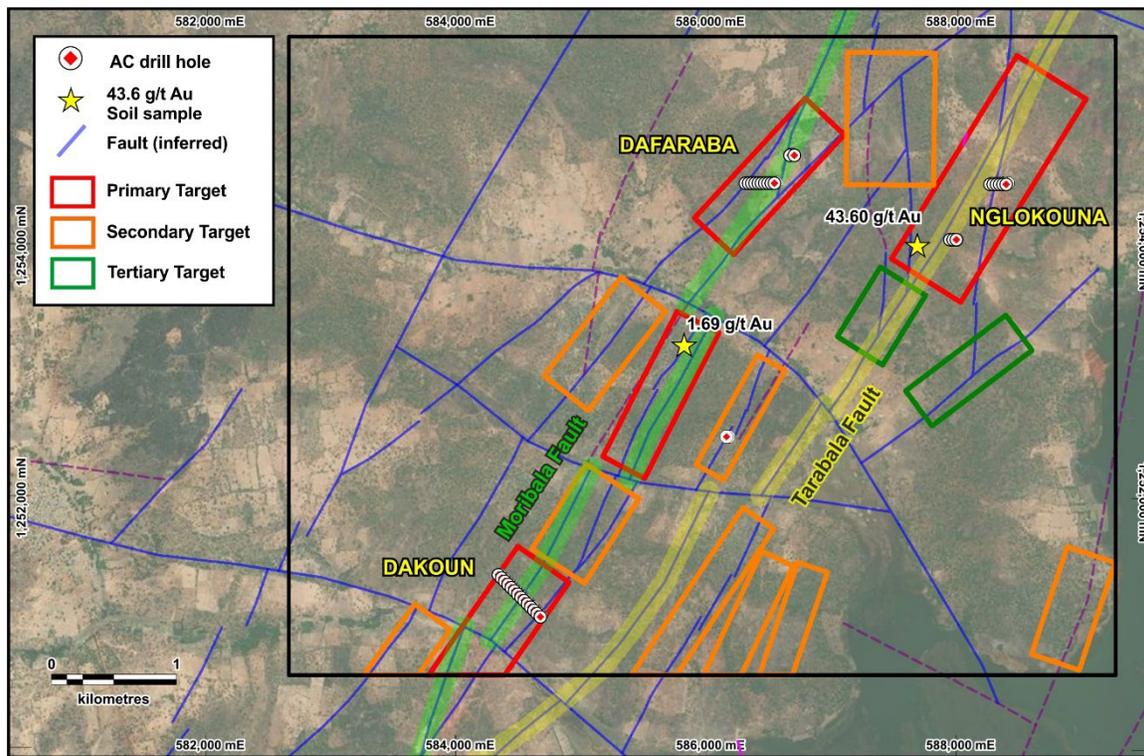
Finally, two holes (totalling 93 m) were drilled over the workings at Million-ki. This area was associated with weak to moderate soil anomalism and up to 600 m of scattered historic artisanal workings. Drilling identified abundant quartz veining, but it was not mineralized.

Based on the results of this AC drilling program a 10-hole (833 m) reverse circulation (RC) program was carried on the same for area to get a better understanding of the mineralization. Drilling started on June 20<sup>th</sup> and concluded on June 27<sup>th</sup>. Assay results are pending.

On April 19, 2022, the Company provided an update on the recently completed remote sensing study completed on the Moribala permit. A detailed Sentinel-2 and ASTER satellite image interpretation of the permit was undertaken by Murphy Geological Services to identify alteration and structures

(faults) associated with orogenic gold mineralization seen in southern Mali. The primary aim of the study was to define the structural framework of the permit and generate gold exploration targets.

A total of fifteen targets were identified and ranked using the structural and alteration interpretation, in conjunction with the results of the Compass shallow soil geochemistry survey, the distribution of artisanal workings, interpretation from ground geophysics, and the presence of gold mineralization found through recent air core (AC) drilling in the area. Four primary targets were identified, nine secondary targets, and two tertiary targets (**Figure 7**).



**Figure 7:** Moribala permit map showing the location of faults, drilling locations, and ranked targets.

The targets are associated with the NE-trending faults that comprise the Siekorole shear zone, in particular along the Moribala and Tarabala faults. Four primary targets were identified, nine secondary, and two tertiary. All of the targets have merit, in a permit with little to no exposure of the bedrock geology.

Three of the four primary targets were drilled in the March 2022 drilling program, with drill hole MOAC012 on target area MB-1 encountering a 7 m @ 1.01 g/t Au (from surface) intercepted within 21 m @ 0.50 g/t Au (from surface). This drilling result bodes well for drilling on other targets along strike.

Additional work is required to test the other targets. This includes ground geophysics (Gradient IP) to determine the precise location of the controlling structure, AC drilling to establish the presence of near-surface mineralization, and reverse circulation drilling to confirm mineralization in the bedrock.

Air-core (AC) and reverse circulation (RC) drilling is planned at Dafaraba and Dankoun to determine the strike and down-dip extension of mineralization. More drilling will also be performed at Nglokouna to target additional structures coincident with the workings. Based on the results of the

remote sensing study, three other areas at Moribala will be prioritized for Gradient IP surveys to refine future AC drilling targets.

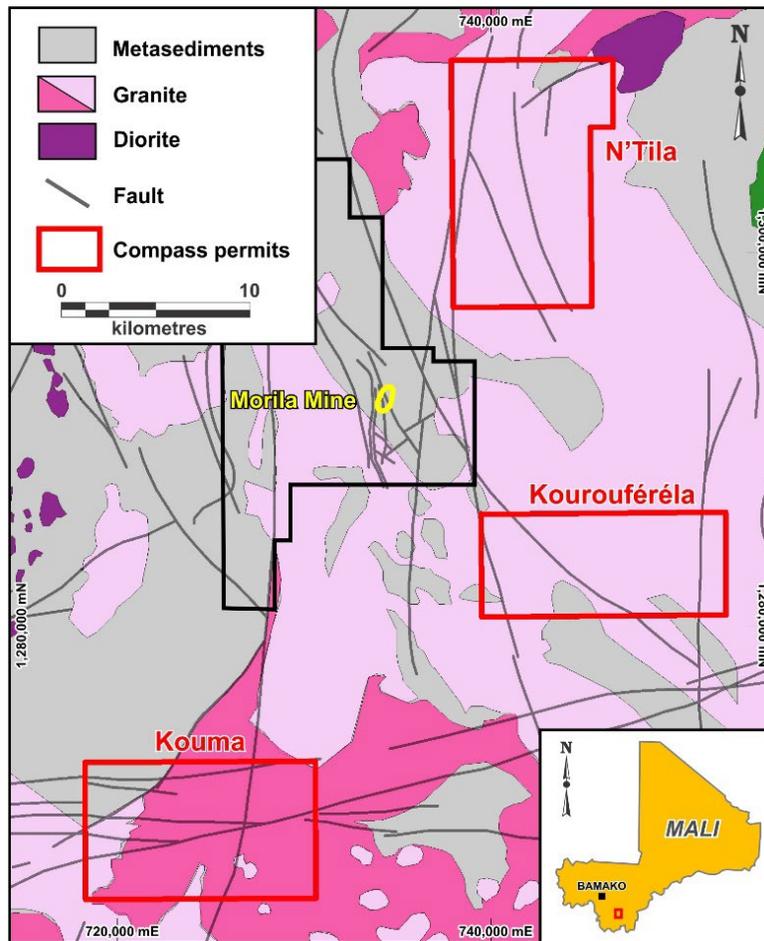
A similar satellite alteration and structural study was completed on the Morila block permits.

On February 15, 2022, the Company reported that it had launched its follow-up drilling program on the Moribala permit on its Sikasso Property in Southern Mali. This bedrock fully-funded 1,000 m air core drill program, the first drilling ever done on this large area, was designed to identify the source of highly anomalous shallow soil samples.

This drilling on two target areas on the Moribala permit was based on the results of a 2021 permit-wide shallow soil sampling program (containing samples up to 43.6 g/t Au; **Figure 6**), focused auger drilling, and follow-up Gradient IP ground geophysics. The first target lies on the previously identified Tarabala Trend, which extends 20 km to the north and an additional 20 km to the south. The trend is defined by numerous artisanal workings, gold anomalism in shallow soil samples, and drilling by Compass. The target structure extends over 6 km with a NE-SW orientation on the permit. A 6-km parallel structure, the Moribala Trend, is located 2 km to the west. It is also delineated by artisanal workings and soil anomalism (up to 1.69 g/t Au).

Based on a highly encouraging recent shallow soil geochemical survey at Moribala, Compass's discovery team identified five anomalous areas with favourable geology, regional-scale faults, and the presence of artisanal workings. Three of the areas were tested with Gradient IP surveying, which has proved invaluable in identifying mineralized structures on the Sikasso Property. The third survey has recently concluded, and the data are being interpreted to locate a possible additional 500 m program of AC drilling on the target. If the results are encouraging from the current drilling, then the two remaining areas will be surveyed by Gradient IP and drilled later.

Further, a 4,375-m shallow soil sampling program was conducted on the N'Tjila, Kourouféréla and Kouma permits (**Figure 8**). These permits are proximal to the Morila mine, and share similarities in geology and structure. Compass's technical team is compiling the historic data on the permits and integrating it with the new soil data. The results of this work will be used to identify priority targets for additional exploration, including airborne geophysics and bedrock drilling.



**Figure 8** - Location of the Morila block permits with respect to the Morila mine.

On January 18, 2022, the Company reported the results of the recently completed deep auger drilling program at Moribala and the shallow soil sampling program at Morila, both located on the Company's Sikasso Property in southern Mali. A 73-hole (1,032 m) auger drilling program was completed on four fence lines (350 - 500 m) on the Moribala permit in December 2021. Auger drilling confirmed the presence of deeper gold anomalism previously identified by licence-wide shallow soil sampling at Moribala.

Anomalies associated with artisanal workings were found to follow faults on the Tarabala Trend. Geochemistry suggests at least three 1-km long target zones are present on the 12 km of faults on the permit (**Figure 6**).

The three areas drilled were coincident with artisanal gold workings and shallow soil anomalism associated with two prominent, 6-km-long, faults on the permit. The eastern fault is interpreted to be a continuation of the Tarabala fault. Significant bedrock gold mineralization was intercepted 10-km to the north on this fault, over 1.1 km, at the Tarabala prospect by Compass in 2020 and 2021. Based on the encouraging soil and auger results, a Gradient Induced Polarization (IP) was initiated, and once completed it will be used to refine the location of the Company's first bedrock drill holes along the two highly prospective structures.

Geochemistry suggests at least three 1-km long target zones are present on the 12 km of faults on the permit.

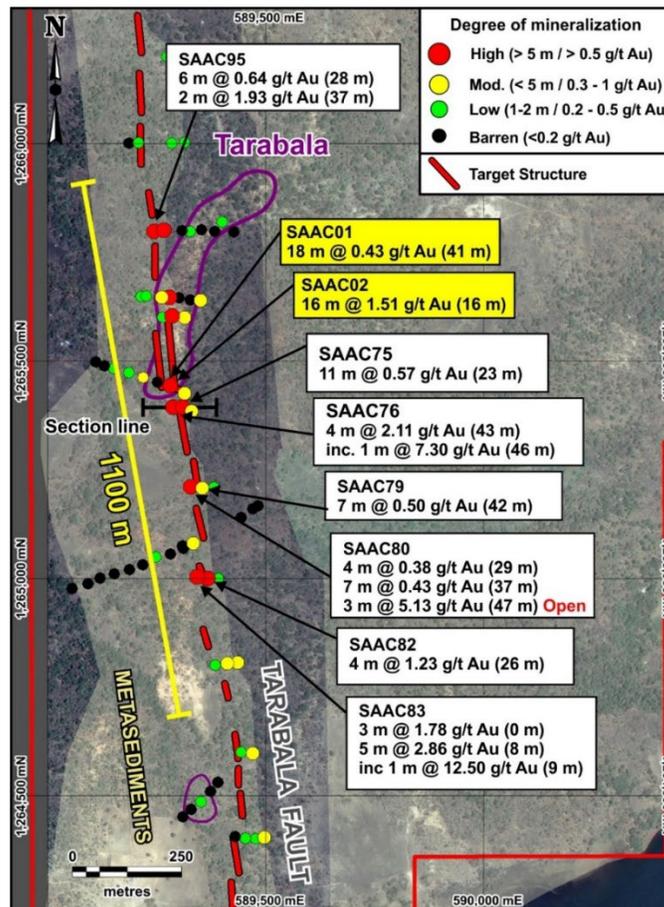
## Drilling Program Initiated at Sikasso Property - Fiscal 2021

### Summary

On January 20, 2021, the Company reported that drilling at the Tarabala prospect identified a pronounced, broad, shallow gold target, associated with a shear zone, extending at least 1.1-kilometres. Within this zone, which remains open down dip, higher-grade mineralized zones were intercepted within wide zones of low-grade mineralization.

Thirty-nine (36) air core (AC) holes (1,500 m) and two reverse circulation (RC) holes (186 m) were drilled in December at Tarabala to test the lateral extent and orientation of a wide zone of previously identified near-surface mineralization at the prospect.

Over the 1,800 m strike length tested, a 1,100-m panel of wider and higher-grade mineralization was identified (**Figure 9**). Generally, gold mineralization was present within a wide (15 to 34 m) zone of quartz veining parallel to the Tarabala fault that contained low-grade concentrations (< 0.5 g/t Au). Individual intervals within this mineralized zone are narrower with higher gold grades. For example, SAAC75 had a mineralized interval of 11 m @ 0.57 g/t Au (from 23 m), SAAC83 had 5 m @ 2.86 g/t Au (from 8 m), and SAAC95 6 m @ 0.64 g/t Au (from 28 m). Numerous higher-grade intervals were recorded, including 1 m @ 12.5 g/t Au (from 9 m) in SAAC83, 3 m @ 5.13 g/t Au (47 m to the end of the hole) in SAAC080, and 1 m @ 7.30 g/t Au (from 46 m) in SAAC076. These higher values correspond well to grab samples collected of quartz vein material from the artisanal workings.

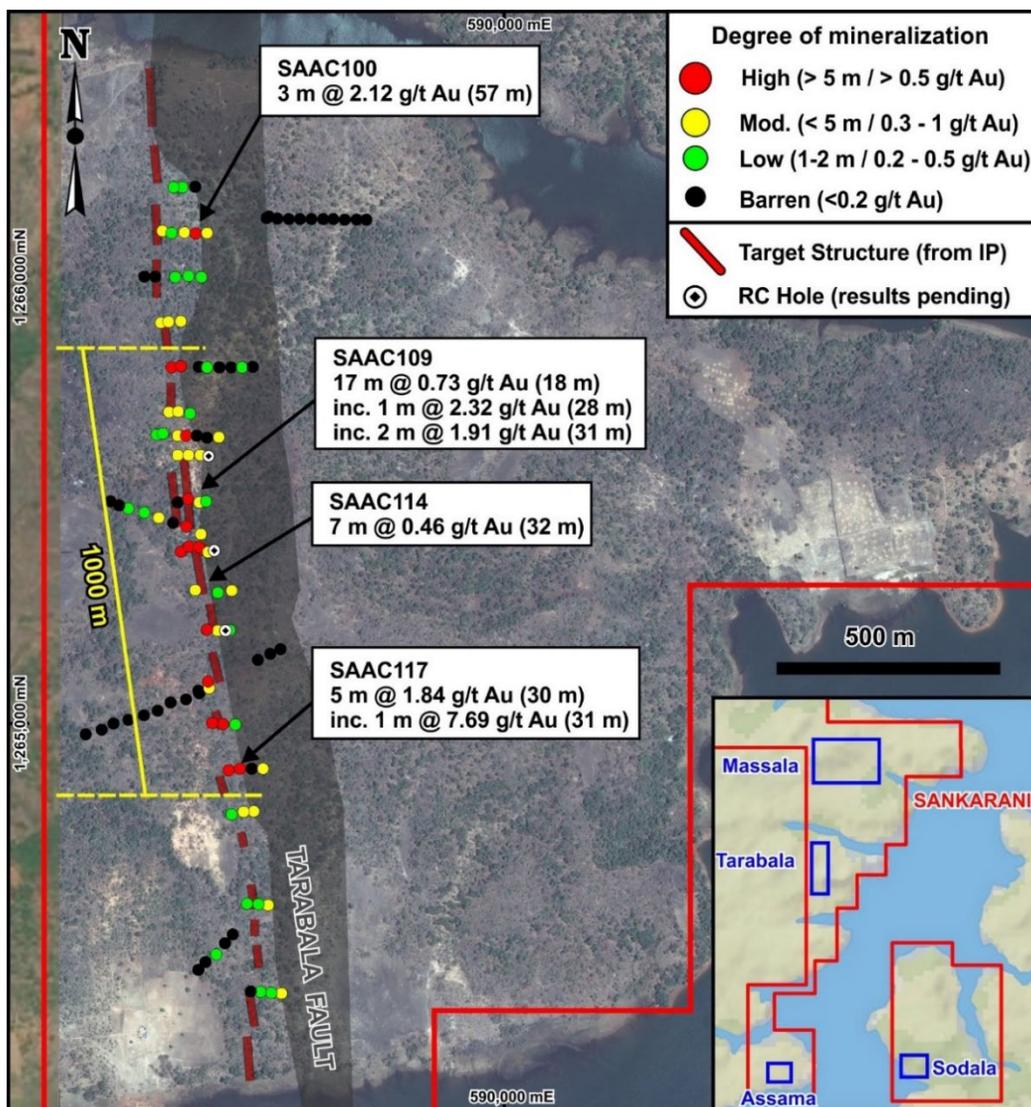


**Figure 9:** Drilling locations and significant results at Tarabala. Previous drilling in yellow labels.

On March 1, the Company reported the results of the next round of drilling at Tarabala, which confirmed a broad, shallow gold target, associated with a shear zone, extending at least 1-kilometre and which remains open down dip.

Twenty-five (25) shallow AC holes (1,328 m) and three deeper RC holes (344 m) were drilled at Tarabala in late January and early February. This work tested the lateral extent, grade continuity, and orientation of a wide zone of previously identified near-surface mineralization over a distance of 1 km at the prospect. Ten of the holes were drilled to test the continuation of the mineralized structure 350 m to the north that had only be partially tested. The three RC holes were drilled to test the open down-dip extension to a vertical depth of up to 95 m at three locations.

Fifteen (15) AC holes, SAAC106-120, were drilled as five three-hole infill fences on the previously drilled 200 m fence spacing on a 1,000 m panel of the 2,300 m target structure at Tarabala (**Figure 10**). Gold mineralization was encountered where predicted by previous drilling and Gradient IP geophysics. The highest grade of mineralization encountered during the current drilling program was on the southernmost fence (SAAC116-120). SAAC117 contained an interval with 5 m @ 2.02 g/t Au (from 23 m), which included 1 m @ 6.77 g/t Au (from 24 m).



**Figure 10:** Drilling locations and significant results at Tarabala for the latest drilling.

From the ten holes drilled to test the northern extension of the mineralized structure, three contained mineralized intervals of 3 m (SAAC100, 102 and 104). The best interval was in SAAC100, which contained 3 m @ 2.12 g/t Au (from 57 m), including 1 m @ 5.89 g/t Au. Mineralization was present in most of the holes as isolated 1 m zones and was generally located on the interpreted target structure.

On March 16, the Company reported the results of the recently completed drilling at the Massala East, Massala West and Tarabala prospects (Figure 11). These included nineteen shallow AC holes (900 m) drilled in two fences at Massala West and an eight-hole fence (498 m) was drilled at Massala East in mid-February. These holes were drilled to test moderate to strong gold anomalism found in shallow soil samples, as well as clearly defined targets interpreted from ground Gradient IP geophysics. All three fences were drilled to test the potential for gold mineralization associated with four discrete north-south oriented faults within the Tarabala shear zone.

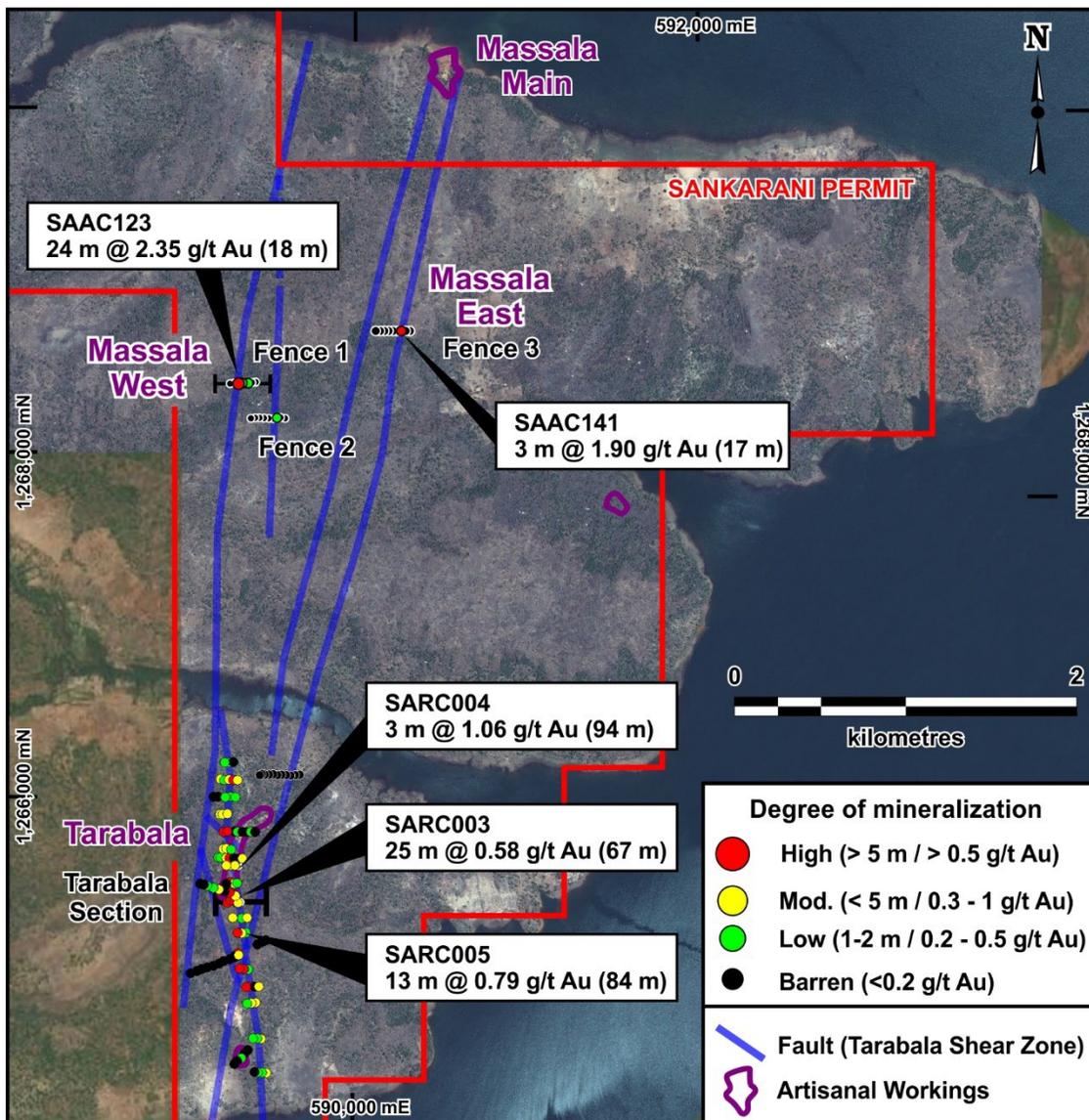


Figure 11: Drilling locations and significant results at Tarabala for the latest drilling.

A seven-AC-hole fence (Fence 1), containing holes SAAC121-127, was drilled on a geological target similar to the mineralization at Tarabala, located 2 km to the south. The predicted mineralized structure was encountered in drill hole SAAC123, with 24 m @ 2.35 g/t Au (from a depth of 18 m),

which included a high-grade interval of 3 m @ 13.23 g/t Au (from 34 m), and a sub-interval of 1 m @ 26.80 g/t Au (from 35 m).

Two hundred metres to the southeast of the previous fence, a nine-AC-hole fence (Fence 2, SAAC128-136) was drilled. Only one hole, SAAC130, contained gold (1 m @ 0.28 g/t Au, from 11 m), with the rest of the hole barren.

A third east-west trending fence was drilled 800 m to the northeast of Fence 2 at Massala East (Figure 11). Drilling occurred on a coincident geochemical high (0.38 g/t Au soil sample) and a Gradient IP target (contact of a resistive high). Only SAAC141 was mineralized and contained 3 m @ 1.90 g/t Au (from 17 m), including 1 m @ 5.03 g/t Au (from 17 m). The mineralization appears to correlate with a fault that is traceable 1.5 km to the north and is associated with the Massala artisanal workings, where grab samples contained up to 16.5 g/t Au.

Three RC holes (SARC003-005) were drilled at Tarabala on sections where earlier AC drilling had identified near surface mineralization. The holes were drilled to test the depth of mineralization from 70 to 83 m from the surface. Hole SARC003 intercepted the widest mineralized interval, 25 m @ 0.58 g/t Au (from 67 m), with a higher-grade interval of 15 m @ 0.83 g/t Au (from 75 m). Mineralization in SARC003 correlated with the mineralization reported in SAAC75-77 and SARC001 and remains open at depth (Figure 12).

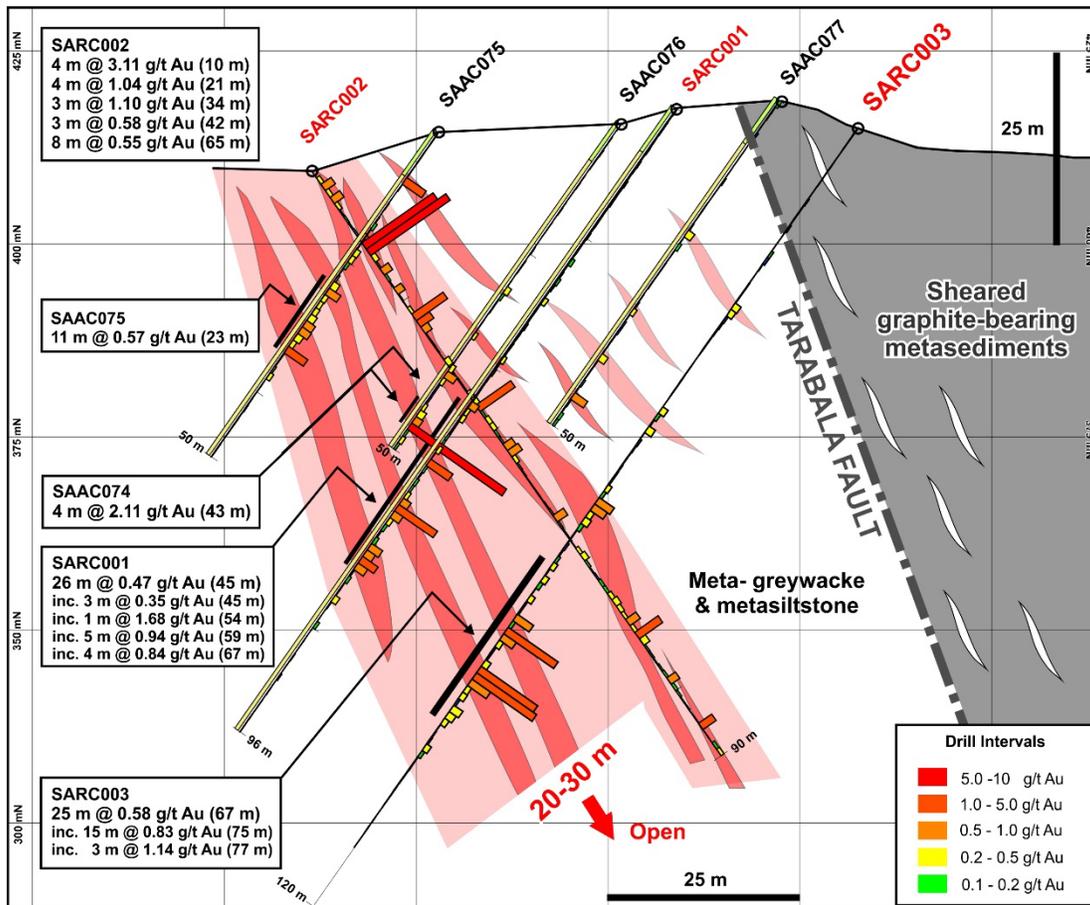


Figure 12: Cross section through the main workings at Tarabala.

SARC004 was drilled 200 m north of SARC003 and was designed to undercut shallow mineralization present in SAAC072-74. The best interval in SARC004 was 3 m @ 1.06 g/t Au (from 94 m), within

a 28-m (true thickness) zone of weak mineralization that correlates with the near surface mineralization identified in SAAC073.

SARC005 was drilled 170 m to the south of SARC003, and was also designed to undercut previously identified shallow gold mineralization (present in SAAC078-80). A wide zone (38 m true thickness) of low-grade mineralization was identified that contained several narrow, higher-grade discrete zones of mineralization. The best interval was 13 m @ 0.79 g/t Au (from 84 m), including 2 m @ 2.88 g/t Au (from 94 m).

All three of these deeper RC holes indicate that the mineralized zones appear to extend at depth with similar grades and widths noted by shallow drilling, with the exception of SARC004. Additional RC drilling is warranted, and a downhole camera survey is planned to determine the precise orientation of the veins.

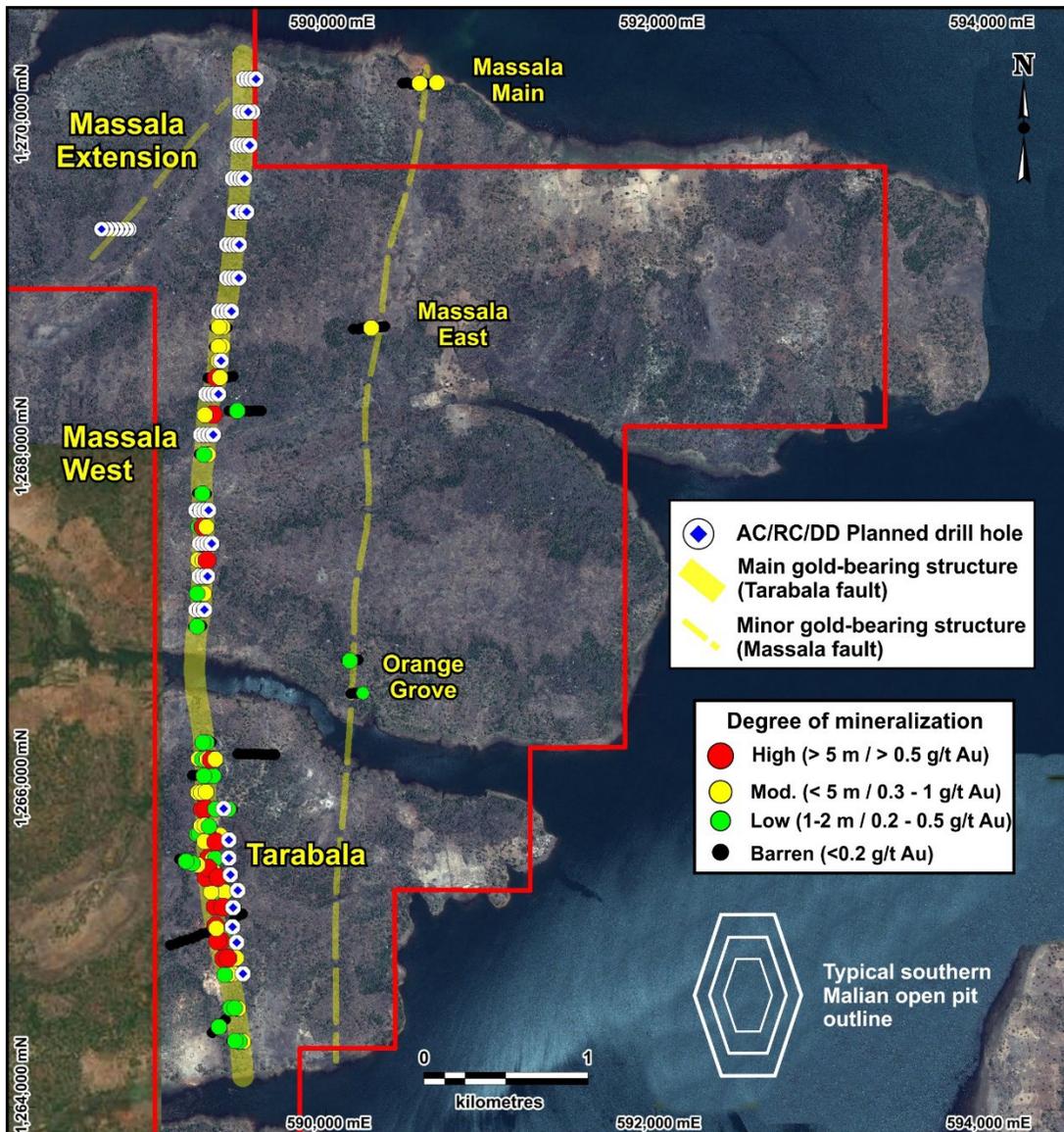
On May 18, the Company reported the results of the latest drilling at the Massala West, Massala Main, Orange Grove, Assama and Sodala prospects, located on the Company's Sikasso Property. Wide-spaced drilling at Massala West confirmed gold mineralization along a new 1.6 km section of the Tarabala Fault.

Following up on the previously reported results from Massala West, Compass completed thirty-two (32) additional shallow air core (AC) holes (1,914 m) at this prospect (**Figure 13**) to test for the presence of gold mineralization associated with the Tarabala fault over a distance of 1.8 km. This drilling included nine fences spaced at 200 m intervals, with significant gold intercepts present on nine of the fences. The widest mineralized interval was encountered in SAAC189, with 21 m @ 0.86 g/t Au (from 1 m) including 6 m @ 1.67 g/t Au (from 1 m), 4 m @ 1.14 g/t Au (from 10 m) and 4 m @ 0.74 g/t Au (from 18 m). This hole was located 225 m south of the discovery hole SAAC123, which contained 24 m @ 2.35 g/t Au. The highest-grade interval was located in SAAC204, 1.3 km south of the discovery hole (SAAC123), and contained 2 m @ 13.06 g/t Au (from 16 m). Each four-hole fence contained at least one mineralized hole that comprised several mineralized intervals. The intervals varied from 1 to 6 m, with individual intervals varying from 0.20 to 22.6 g/t Au.

Preparations were underway for an additional 1,600 m of air core drilling over a distance of 1.4 km to the north of the new zone, and 1,200 m of infill drilling on the recently discovered mineralization (**Figure 13**, "Massala Extension"). An additional 1,400 m of air core (AC) drilling was also planned at the new Tarabala South target.

Drilling at Sodala intercepted intermittent shallow gold mineralization, associated with a north-south trending shear zone and strong shallow gold in soil anomalies. There, the highest-grade drill interval was 1 m @ 4.57 g/t Au (from 21 m).

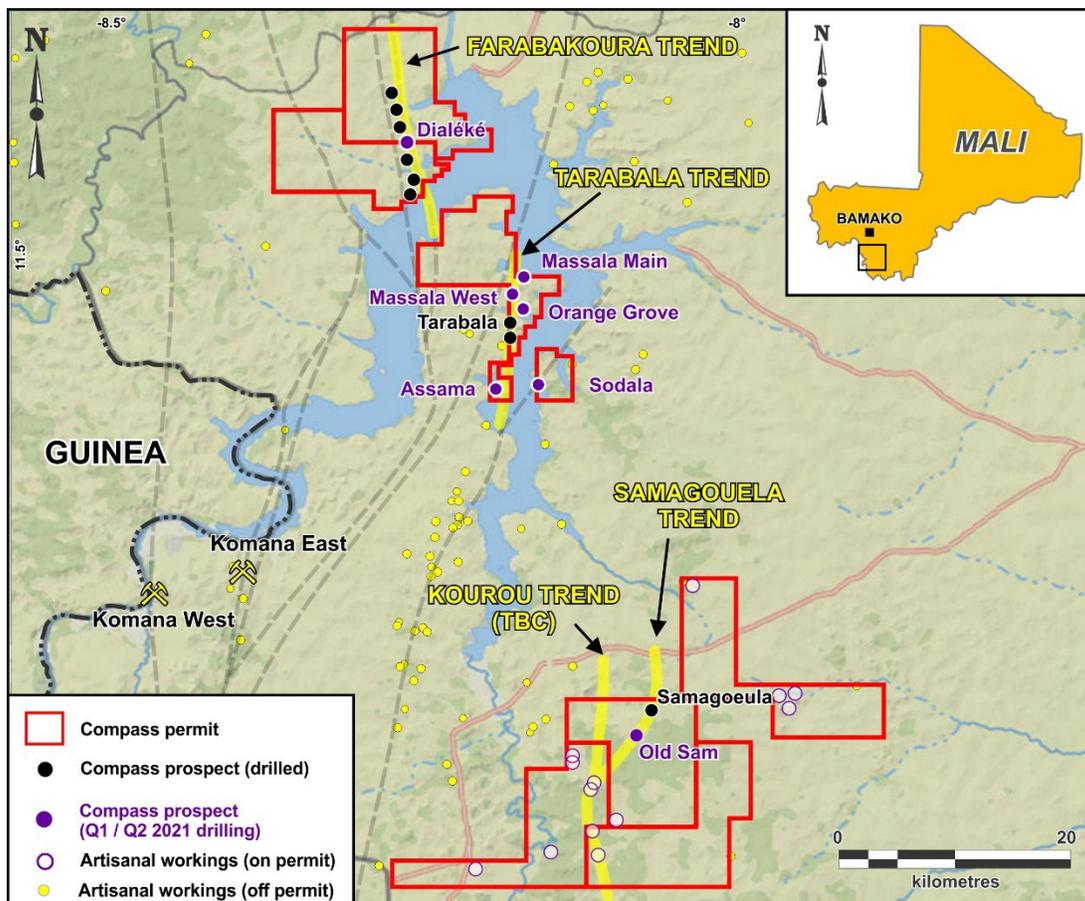
Drilling at the Massala Main, Orange Grove, and Assama artisanal workings did not intercept significant mineralization.



**Figure 13:** Drilling locations with significant results from recent drilling, and planned holes.

On July 6, the Company reported the results of the recently completed drilling at the Old Sam and Dialéké prospects, located on the Company's Sikasso Property.

Eighteen shallow air core (AC) holes (889 m) were drilled on three targets at Old Sam (**Figure 14**) to test artisanal workings or gold in soil anomalism associated with potential mineralized structures along the Samagouela Trend. Two nine-hole NW-trending fences and one N-S-trending fence were drilled on structures associated highly anomalous shallow soil samples (up to 0.29 g/t Au at the workings, and 0.75 and 9.82 g/t Au on the other areas). Geological mapping and interpretation of Gradient IP geophysics identified several strong northeast-trending faults on each fence that were coincident with the soil anomalism.



**Figure 14** - Location of the prospects (filled purple circles) where RC and AC drilling program was performed in 2021.

The most notable mineralized intercepts were recorded from the historic workings in hole KOAC090. Over an interval of 21 m, three elevated zones of mineralization were identified, the widest of which was 6 m @ 0.59 g/t Au (from 28 m), containing 2 m @ 1.06 g/t (from 30 m). Follow-up work is recommended on this gold-bearing structure to determine whether wider zones of mineralization are present along strike, or down dip. No mineralized intercepts greater than 0.20 g/t Au were measured in the other two fences, despite the much higher shallow soil gold anomalism.

Twenty-four (28) shallow AC holes (1,412 m) were also drilled on three NE-orientated fences at Dialéké to test a 350 m by 130 m area of surface gold excavations and shallow soil gold anomalism adjacent to the Siekorole fault. Only one fence was drilled directly over the workings (OUAC074-085), and it was this fence that contained the highest gold concentrations (1 m @ 10.27 g/t Au; OUAC082) and widest intervals (3 m @ 2.06 g/t Au; OUAC081). The fence to the south of the workings contained only trace amounts of gold, whereas the short fence 200 m to the north (OUAC086-089), drilled to test gold anomalism in shallow soil samples, was barren. The target remains open at depth and along strike, and might be revisited at a later date.

On September 7, the Company reported the results of the latest drilling at the Massala West prospect on the Tarabala Trend and provided an update of planned drilled on the Company's Sikasso Property in Southern Mali.

The drill program at Massala West comprised 68 AC holes (4,042 m) that were designed to infill the known mineralization, extending the structure 1.4 km to the north, and to test a splay fault 750 m to the west at Dalaba (**Figure 15**). The assay results from 23-holes (1,349 m) at Dalaba and the

northern extension were pending. Highlights of the latest drilling were 9 m @ 1.01 g/t Au (from 22 m), 8 m @ 0.71 g/t Au (from 38 m) including 1 m @ 3.16 g/t Au, and 1 m @ 12.94 g/t Au (from 25 m). All fences intercepted the target structure and contained varying degrees of gold mineralization at shallow levels.

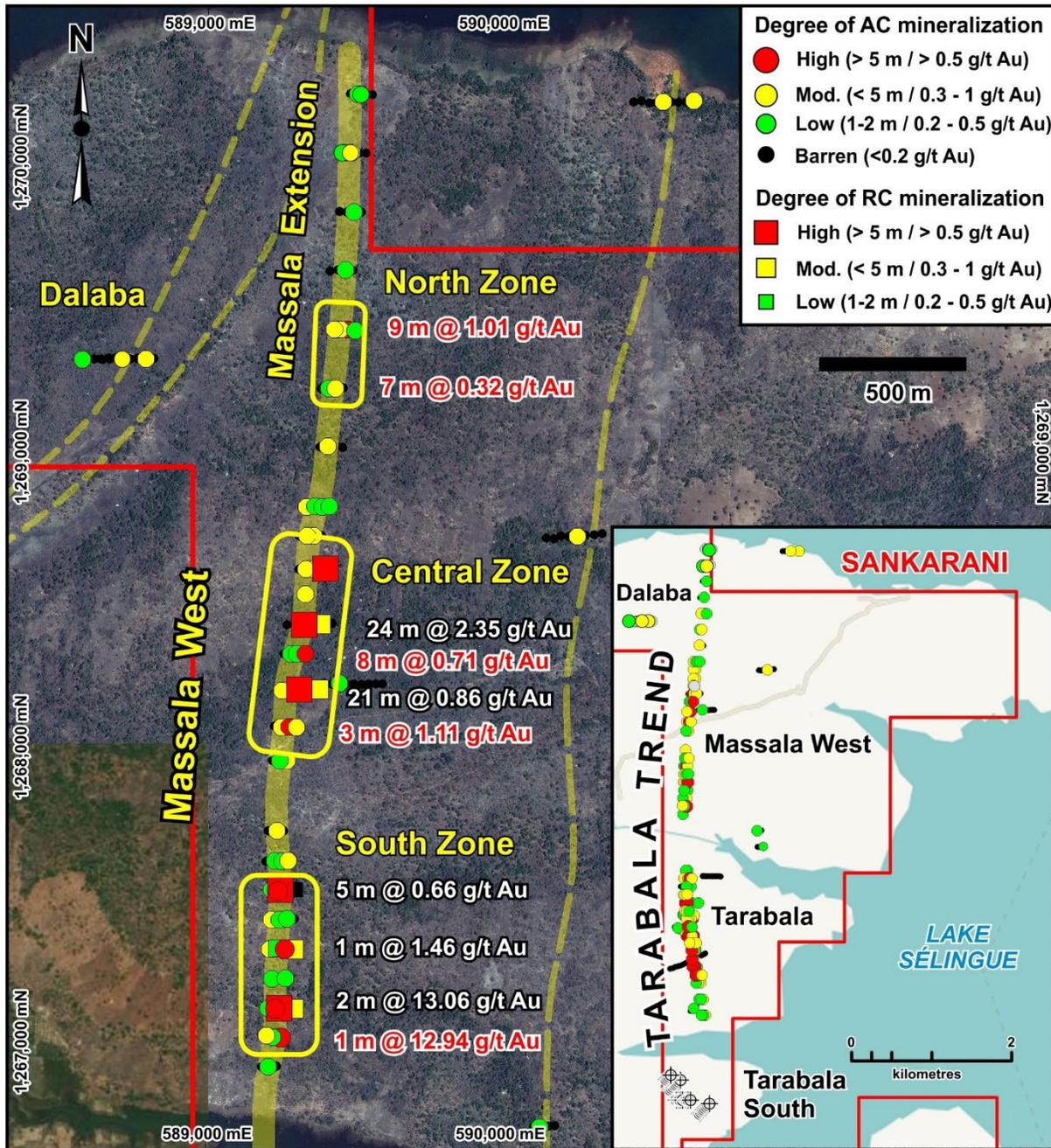


Figure 15: Drilling locations and significant intercepts from recent drilling (red text) and earlier drilling (white text).

A 10-hole (1,056 m) RC program was also planned to drill a series of deep holes (100 – 160 m) to test the gold-bearing structure at depth. Owing to the higher-than-expected water table, the holes were only drilled to shallow depths (77 – 125 m) and so may not have tested the primary mineralization. Assay results had only been received for five holes (SARC006-SAARC10) from the Central Zone. The widest interval was a low-grade zone of 26 m @0.32 g/t Au (from 24 m;

SARC008) containing nine discrete higher-grade zones, with the best interval being 5 m @ 0.59 g/t. Drill hole SARC010 was drilled two hundred metres to the south and intercepted 23 m @ 0.44 g/t Au (from 43 m), and comprised three discrete mineralized intervals, with the best interval containing 6 m @ 1.02 g/t Au (from 46 m). Both intercepts are still considered shallow and have not adequately tested the depth potential of the structure.

On October 6, the Company reported that it had launched its previously reported follow-up field program on the Tarabala Trend, which consists of diamond drilling at the Tarabala artisanal workings.

The 400-600 m diamond drilling program at the Tarabala prospect was planned to begin on October 16<sup>th</sup>. Drilling was to focus on determining the nature of the gold-bearing quartz veins (width, grade, orientation, and mineralogy) at depths of 60 to 120 m from the surface. Initial results will be used to finalize the location of an additional 2,000 m of deep RC holes in December, with a view of using the information gleaned to plan a potential resource definitional drilling program in Q1 2022.

Additional geochemical sampling and geophysical surveys were planned on the other exploration permits within the overall property.

It was also reported that the remaining assay results relating to AC drilling at Massala West Extension (**Figure 15**) show that the structure continues to the north of the Massala West prospect over a distance of 600 m, as indicated by the presence of quartz veins. Only 1 m wide intercepts were recorded in each of the four fences drilled to test the structure, with the highest grade being 0.52 g/t Au. No further work is recommended for this area.

A thirteen-hole fence, located 750 m to the west of the Massala West Extension, was drilled at Dalaba (**Figure 15**) to investigate the cause of a 1.05 g/t Au soil anomaly associated with a NE-trending fault. Two narrow intervals were identified close to the soil anomaly sample. These intervals graded 1 m @ 0.59 g/t (from 48 m; SAAC273) and 1 m @ 0.26 g/t Au (from 50 m; SAAC273). No further work is recommended at this time.

On November 4, Company announced that it had completed 520 m of diamond drilling at the Tarabala prospect program on the Tarabala Trend.

The diamond drilling program consisted of four drill holes which were planned to determine the nature of the gold-bearing quartz veins (width, grade, orientation, and mineralogy) at depth of 60 to 120 m from the surface. The core is currently being logged for geological information and is being sampled for gold. It is expected that results will be available in early December. The results will be used to finalize the location of an additional 2,000 m of deep RC holes in December.

A summary of all work completed on the Sikasso Property during 2021 is illustrated in **Figure 16**.

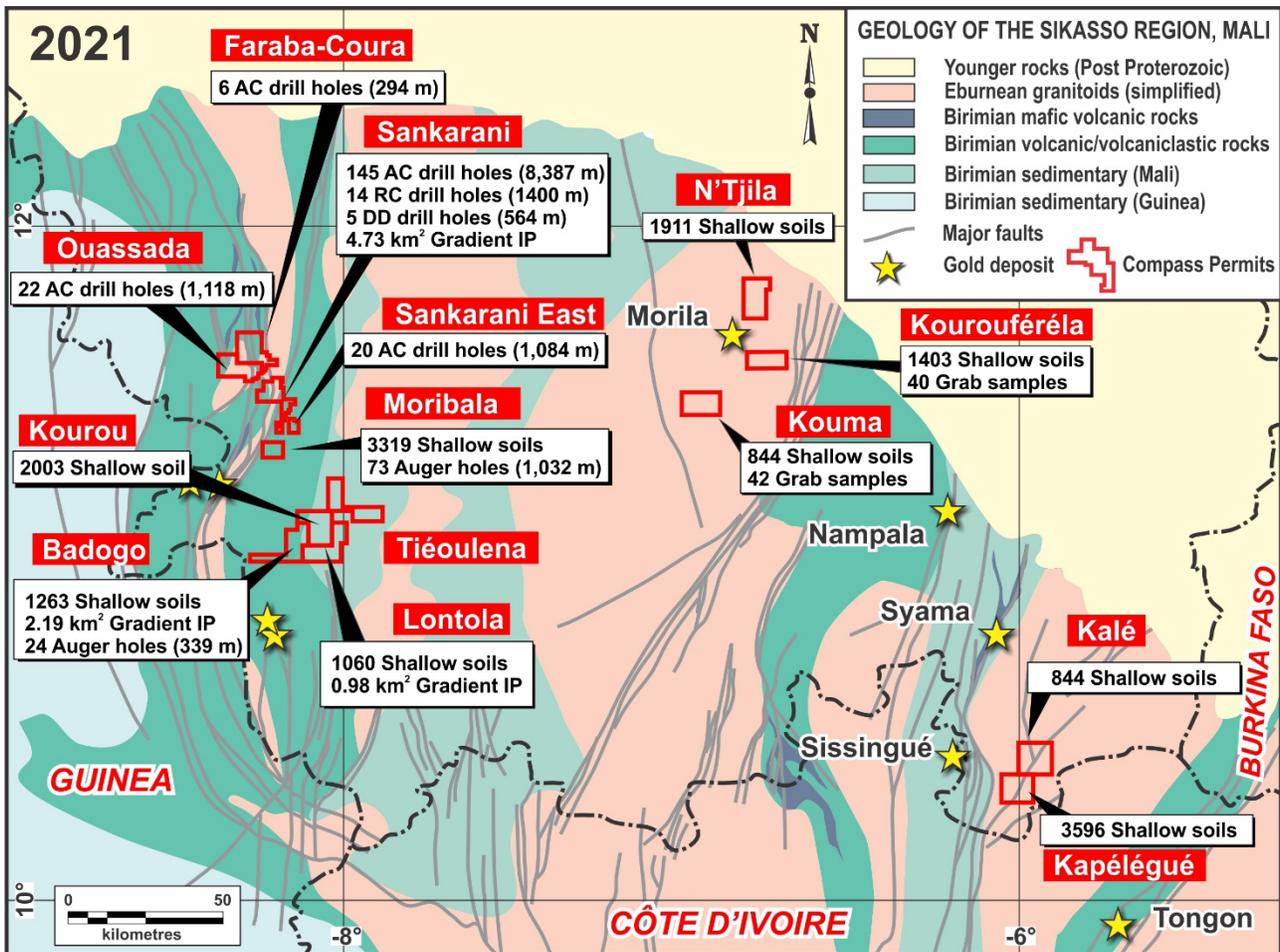


Figure 16. Summary of work completed on the Sikasso Property during 2021.

### **C) FUTURE ACTIVITIES Fiscal 2022**

The principal activities planned for the remainder of fiscal 2022 are aimed at determining the variability of gold grades seen in air core drilling on the Moribala and Sankarani permits. This work will be performed by reassaying reverse circulation chip samples from previous drilling by the Company, and also the collection of pit samples from the larger artisanal workings on the Tarabala and Moribala faults. If this work shows positive results, then a deep drilling program will be recommended for the Tarabala prospect (Sankarani permit) to determine the presence of mineralization open at depth on the structure. A trenching program will also be performed at Massala West to determine the surface width of the mineralized zone, the number of veins present, and the gold grades associated with each vein. Encouraging results from the work at Tarabala and Massala West will be used towards a maiden resource estimation.

On the Morila permit block (N'Tjila, Kourouféréla, and Kouma) exploration activity will include geological mapping, ground truthing targets identified from the remote sensing study and the shallow soil sampling program. The previously announced 300 sq. km high-resolution airborne magnetic and radiometric survey planned for Moribala and the Morila permit block has been postponed until the government grants Compass the permits.

The company will continue to reappraise the mineral potential of all of the permits as our knowledge base increases, which might necessitate additional exploration activities on areas previously tested.

Expenditures for the above noted exploration program are estimated to be approximately \$800,000, this includes all costs associated with the exploration work noted above, as well as in-country running costs.

*This MD&A has been reviewed and approved by EurGeol. Dr. Sandy Archibald, P.Geo, Compass's Technical Director, who is the Qualified Person for the technical information in this news release under National Instrument 43-101 standards.*

### 3. RESULTS OF OPERATIONS

This analysis of the results of the Company's operations should be read in conjunction with the Company's interim financial statements for the nine months ended September 30, 2022.

#### Revenues

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

#### Expenses

The operating expense for the nine months ended September 30, 2022 decreased to \$736,405 from \$1,029,656 in the same period last year. Overall, expenditures for most of the major expense categories are lower compared with the same period last year and in line with the annual budget. The decrease in the expenditures for the nine months ended September 30, 2022 is mainly due to the reduction in the foreign exchange loss to \$168,994 from \$286,397 in the same period last year, as well as the reduction in share based payments to \$60,315 from \$185,007 in the same period last year:

1. Management fees for the nine months ended September 30, 2022 were \$334,812 compared to \$330,367 in the same period last year. These costs are for the management and director fees and are comparable between the periods.
2. Share based payments, as explained in note 9 to the condensed interim consolidated financial statements, were \$60,315 for the nine months ended September 30, 2022. For the year ended December 31, 2021, the expense was \$246,676. Yearly fluctuations in stock option expense are dependent on several factors including, but not limited to, the number of options issued, valuation of options, vesting year and timing. For the nine months ended September 30, 2022, no options were granted. For the year ended December 31, 2021, the Company granted 1,441,000 options;
3. Consulting fees decreased to \$42,000 for the nine months ended September 30, 2022 from \$80,500 in the same period last year. The fees include corporate strategy development services, which started at the beginning of 2021. Expenditures are within budget;
4. Investor conference expenditures decreased to \$Nil for the nine months ended September 30, 2022 from \$10,416 in the same period last year. The decrease in fees is due to a reduction in investor conference attended as a result of the COVID-19 pandemic restrictions and,
5. Foreign exchange gain/(loss) decreased to a loss of \$168,994 from a \$286,397 in the same period last year. Exchange differences arising on the translation of non-monetary items are recognized in income for the reporting nine months. The reported exchange loss is the result of the increase in of the Canadian dollar against the Euro dollar between the current reporting date of September 30, 2022 and the last year end of December 31, 2021. This is a non-cash item and only a valuation adjustment on the investment and exploration expenditures accumulated to date.

#### 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, 2022, the Company had the following capital stock position:

Common shares outstanding	93,970,446
Warrants	7,298,668
Broker Warrants	1,192,500
Options outstanding	5,251,000

Basic common shares outstanding total 93,970,446. Fully diluted shares outstanding, which includes all issued common shares, warrants, broker warrants and options, totals 107,712,614. For further information on the Company's capital, please refer to the notes of the Financial Statements (Note 8 – Share Capital, Note 9 - Reserves).

#### 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.

	2022			2021				2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$000's							
Revenues	-	-	-	-	-	-	-	-
Loss for the period	(230)	(260)	(246)	(79)	(286)	(606)	(137)	(289)
Loss per share	(0.005)	(0.005)	0.00	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)

Overall, the expenditure pattern, excluding the impact from share-based payments, has remained consistent between the quarters reported for fiscal 2020 through to September 30, 2022. The decrease in the loss reported in the third quarter of 2020 and first quarter of 2021 is from the foreign exchange translation that resulted in a gain in the three months. Later on in 2021, quarterly losses increased mainly from the increase in foreign exchange translation losses as a result of strengthening Canadian dollar against the Euro.

#### 6. LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2022, the Company had working capital of \$520,344 (December 31, 2021 - \$1,137,079). Cash as at September 30, 2022 was \$402,092 compared to \$1,070,415 as at December 31, 2021. The Company has no long-term debt and no long-term liabilities.

On June 2, 2022, the Company closed a private placement with gross proceeds of \$1,094,800 through the issue of 7,298,668 common shares and 7,298,668 share purchase warrants at a price of \$0.15 per unit. Total cash share issuance costs of \$18,723 were incurred on this private placement.

On July 27, 2021, the Company closed a private placement with gross proceeds of \$2,752,500 through the issue of 13,762,500 common shares at a price of \$0.20 per common share. As part of the private placement, finders' fees totaling \$36,300 (in cash), 375,000 common shares with a fair value of \$75,000 (in lieu of cash) were paid and 556,500 broker warrants were issued to qualified persons acting as finders. Each broker warrant is exercisable into one common share at a price of \$0.20 per unit until July 27, 2023. Additional share issuance costs of \$18,810 were incurred related to this private placement.

During the year ended December 31, 2021, 138,900 broker warrants were exercised at a price of \$0.20 per share to issue 138,900 common shares to settle accounts payable of \$27,780 with no gain or loss.

### ***Review of Statement of Cash flows***

#### ***Cash Used in Operating Activities***

Cash used in operating activities during the nine months ended September 30, 2022 was \$727,678 compared with \$1,345,890 of cash used in the same period last year. Cash was used to fund management and director fees, professional fees, listing and registration fees, and administrative costs, as well to reduce payables that were incurred in the previous fiscal year.

#### ***Cash Used in Investing Activities***

Total project expenditures on a cash flow basis for the nine months ended September 30, 2022 were \$1,040,722 compared to \$2,961,134 for the nine months ended September 30, 2021. For more detail see Section 2.

## **7. TRANSACTIONS WITH RELATED PARTIES**

Transactions with related parties are described in detail in Note 10 of the Financial Statements

For further clarification, management, and director fees of \$396,041 (2021 - \$402,129) for the nine months ended September 30, 2022 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 (2021 – \$135,000). 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 \$62,250 (2021 – \$58,500). Such consideration was paid to a management company pursuant to which Mr. Nagy provides the CFO services.
- The Exploration Manager of the Company, Madani Diallo, who is a non-executive director of the Company, was paid \$101,291 (2021 – \$111,129). 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. The majority of these costs are capitalized.

- Non-management directors of the Company were paid, in aggregate, fees of \$97,500 (2021 – \$97,500), 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 nine months ended September 30, 2022 and December 31, 2021, 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 detail in Note 13 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 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 of the Company 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: Barrick Gold; AngloGold Ashanti; Endeavour Mining; Firefinch; B2 Gold; Resolute Mining; Perseus Mining; Hummingbird Resources; Oklo Resources; Roscan Gold; Robex Resources; and Cora Gold.

### *Mining Rights / Asset Verification*

The Company's principal property interests include fourteen exploration permits, referred to as: Ouassada, Faraba-Coura, Sankarani, Sankarani Est, Moribala, Kourou, Tiéouléna, Badogo, Lontola, Kalé, Kapélégué, N'Tjila, Kourouféréla, and Kouma which collectively comprise the Sikasso Property. The Sikasso Property, which comprises all of the Company's exploration permits, 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, including 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 Malian subsidiaries and with respect to the ownership and good standing of the Company's exploration permits collectively known as the Sikasso Property.

Each fiscal year, in connection with the preparation of the Company's annual financial statements, the Company requests and receives updated legal opinions from legal counsel in Mali with respect to the good standing of each of the Malian 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 the original 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 Company's permits, collectively known as the Sikasso Property. The Ouassada, Faraba-Coura, Sankarani, Sankarani-Est, Moribala, Kourou, Tiéouléna, Badogo, Lontola, Kalé, Kapélégué, N'Tjila, Kourouféréla, and Kouma gold exploration permits comprising the Sikasso Property, respectively, allow the Company to conduct exploration activities on the lands subject thereto. The current term of these exploration permits will expire at various times during 2024.

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 incorporated 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 through its Malian 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 who is a 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 (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 the management of the Company, including with respect to 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 Malian 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 the management of the Company performs a detailed review of all significant invoices and contracts to support expenditures. All 'cash calls' must be approved by the 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 a 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 Dr. Sandy Archibald (PGeo), the author of the Technical Report, as a technical consultant on a monthly retainer. As required, Dr.

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 Bamako, 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 of Audit Committee), Larry Phillips (Director and Chief Executive Officer), Dr. Madani Diallo (Director) and Joseph Conway (Director and Board Chairman) 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 (in 2017).
- 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 35 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 issuer 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**

The operations of the Company are speculative due to the high-risk nature of its business, which is the exploration and development of its principal permitted area, the mineral property known as the Sikasso Property, a gold exploration project in Mali, West Africa. Risk factors relating to the Company could materially affect the Company's future results and could cause them to differ materially from those described in forward-looking statements relating to the Company.

It should be noted that this list is not exhaustive and that other risk factors may apply, including risks described elsewhere herein, risks not currently known to the Company, and risks that the Company currently deems immaterial. Any one or more of these risk factors could have a material adverse effect on the Company's business, results of operations, financial condition, and/or the value of its securities.

## ***COVID 19***

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally.

The Company is subject to various market, political and regulatory trends as a result of the COVID-19 situation and additional business and financial risks that may result therefrom. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets, share prices and financial liquidity and that may severely limit the financing capital available to the Company.

Compass reported that, due to concerns about coronavirus ("COVID-19"), the Company continues to implement its previously announced detailed program of health and safety field and office protocols to protect personnel during exploration activity in Mali. Members of the office team continued working from home and the field team continued to work in isolation.

### ***Dependence on one Mineral Project***

The Company is currently focused on a group of exploration permits comprising one principal mineral property, the Sikasso Property, located in Mali. The Sikasso Property may never result in a commercially viable gold or other mineral body, which would have a material adverse effect on the Company's business, results of operations, financial condition, and/or the value of its securities.

### ***Exploration, Development and Operating Risks***

The Sikasso Property is in the early exploration stage and is without a known body of commercially exploitable ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines.

The exploration for, discovery and development of mineral deposits involves significant risks that 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, specifically at the 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 at the 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 at the 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.

### ***Property Interests and Permits***

The Company's principal property interests include fourteen exploration permits, referred to as Ouassada, Faraba-Coura, Sankarani, Sankarani-Est, Moribala, Kourou, Tiéouléna, Badogo, Lontola, Kalé, Kapélégué, N'Tjila, Kourouféréla, and Kouma, which collectively comprise the Sikasso Property. The current term of these exploration permits will expire at various times during 2024. There can be no assurance that the Company will be able to secure the grant or the renewal of these 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.

Although the Company takes reasonable measures to ensure proper title in the properties in which it holds an interest, including the receipt of title opinions in respect of 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, or unsatisfied work commitments, all of which could have a material adverse impact on the Company's operations. In addition, the Company may be unable to access or 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.

The Company's current and anticipated future operations, including further exploration and development activities on the Sikasso Property, will require additional permits from various governmental authorities. Any costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could prevent, delay or restrict the Company from proceeding with certain exploration or development activities. 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.

### ***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 will require substantial capital to finance further exploration on, and development of, the Sikasso Property. Accordingly, the continuing development of the Sikasso Property will depend upon the Company's ability to obtain financing through equity financing, debt financing, or other means.

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 equity or debt 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 business, cash flows, earnings, results of operations, financial condition and/or the value of its securities.

### ***Risks Associated with Operations in Mali***

The Company's mining interests are located in Mali, West Africa. The Company's operations in Mali are exposed to various levels of political and economic risks and uncertainties, among others. Any changes in the political or economic climate in Mali, even if minor in nature, may adversely affect the exploration activities of the Company. These risks and uncertainties vary from time to time and include, but are not limited to, labour disputes, nullification of governmental orders and permits, unstable political and economic environments, potential for bribery and corruption, currency devaluation, high interest rates, sovereign risk, war (including in neighbouring states), military

repression, civil conflicts, terrorist activity, criminal activity, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental organizations, limitations on foreign ownership, difficulty obtaining key equipment and components for equipment, and inadequate infrastructure. These risks may limit or disrupt the Company's operations.

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.

Since the end of the legislative elections in April 2020, Mali has been confronted with a serious socio-political crisis marked by protests of the coalition group M5-RFP and violence. Mediation efforts have been undertaken by the international community as well as a variety of national figures to promote negotiation and to find solutions to put an end to the crisis. Mali had been subject to two recent coup d'états in August 2020 and May 2021. In each case, members of the Malian military seized power. Mali remains under a military government headed by President Assimi Goita, who assumed power following the May 2021 coup. These events intensify the already precarious situation that the Malian population is facing, due to years of security and humanitarian crises.

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.

### ***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 business, cash flows, earnings, results of operations, financial condition and/or the value of its securities. 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 business, cash flows, earnings, results of operations, financial condition, and/or the value of its securities. 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.

### ***Competition***

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities in its search for, and the acquisition of, mineral properties as well as the recruitment and retention of qualified personnel with technical skills and experience in the mining industry (including with experience in Mali or in West Africa generally).

There can be no assurance that the Company will be able to compete successfully with others in acquiring mineral properties, obtaining adequate financing and continuing to attract and retain skilled and qualified personnel. Existing or future competition in the mining industry could materially adversely affect the Company's business and prospects for mineral exploration and success in the future.

### ***Infrastructure Risks***

Exploration and development activities depend, to some degree, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants, which affect capital and operating costs. The Company's inability to access reliable transportation routes, including during the rainy season, or secure adequate water and power resources, as well as other events such as unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could have a material adverse effect on the Company's business, results of operations, financial condition and/or the value of its securities.

### **13. ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://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](http://www.compassgoldcorp.com)) and [www.sedar.com](http://www.sedar.com).

## **COMPASS GOLD CORPORATION CORPORATE DIRECTORY**

Trading Symbol – CVB-V  
Exchange - TSX-V

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### **Officers and Directors**

James Henderson, (Chairman Audit Committee and Director)

Larry Phillips (CEO and Director))

Madani Diallo, (Director)

Joseph Conway (Board Chairman and 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

Joseph Conway

William Pugliese

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### **Transfer Agent**

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