

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

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

Item 2. Date of Material Change

June 2, 2022

Item 3. News Release

A news release announcing the material change referred to in this report was disseminated on June 3, 2022 via GlobeNewswire and a copy of the news release has been filed on the System for Electronic Document Analysis and Retrieval (SEDAR).

Item 4. Summary of Material Change

On June 2, 2022, the Company completed a private placement, on a non-brokered basis, for aggregate gross proceeds of \$1,094,800 (the “Offering”). Pursuant to the Offering, the Company issued a total of 7,298,668 units of the Company (“Units”) at a price of \$0.15 per Unit.

Item 5.1. Full Description of Material Change

Description of the Offering

On June 2, 2022, the Company completed the Offering, on a non-brokered private placement basis, for aggregate gross proceeds of \$1,094,800. Pursuant to the Offering, the Company issued a total of 7,298,668 Units at a price of \$0.15 per Unit. Each Unit consists 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 acceleration).

A copy of the new release in respect of the Offering is attached to this report as Schedule A.

Related Party Transaction

Insiders of the Company purchased an aggregate of 1,708,334 Units under the Offering, for aggregate consideration of \$256,250. Specifically:

- Larry Phillips, the President and CEO of the Company, participated in the Offering and subscribed for 250,000 Units for aggregate consideration of \$37,500.
- Joseph Conway, a director of the Company, participated in the Offering and subscribed for 700,000 Units for aggregate consideration of \$105,000.
- William Pugliese, a director of the Company, participated in the Offering and subscribed for

500,000 Units for aggregate consideration of \$75,000.

- Madani Diallo, a director of the Company, participated in the Offering and subscribed for 100,000 Units for aggregate consideration of \$15,000.
- Louis Nagy, the Chief Financial Officer and Secretary of the Company, participated in the Offering and subscribed 25,000 Units for aggregate consideration of \$3,750.
- James Henderson, a director of the Company, participated in the Offering and subscribed for 133,334 Units for aggregate consideration of \$20,000.

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

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

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

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

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

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

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

Item 9. Date of Report

June 8, 2022

Schedule A
Press Release

See attached.



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

COMPASS GOLD CLOSES \$1,094,800 PRIVATE PLACEMENT

Initiating a 1,000-Metre Follow-Up Drilling and Geophysical Survey program on its Highly Prospective Moribala Permit

Toronto, Ontario – June 3, 2022 – Compass Gold Corporation (TSX-V: CVB) ("Compass" or the "Company") announced today that it has issued, on a non-brokered private placement basis, a total of 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 (the "Offering") (*see Compass news release dated April 21, 2022*).

Larry Phillips, Compass Gold's President and CEO, said, "The completion of this private placement, despite the challenging market conditions, will allow our exploration team to commence the initial 1000 metres of RC drilling on our highest priority target zones within the Moribala Permit area. The results from this first stage of drilling should be received in July. Based on those results, we will conduct follow up drilling over the remainder of the year, which will be fully funded from the proceeds of this private placement.

We believe that the target zones we have identified along the fault zones at Moribala hold tremendous potential for a significant discovery and that the drilling planned between now and the end of the year will be an important step towards that objective."

An extensive new exploration and drill program launched

The proceeds of this financing will initially be used on the Moribala permit to follow up on the highly encouraging drill results reported in March 2022, where a 21 m interval containing 0.5 grams per tonne (g/t) gold (Au) was identified on a blind target. Four 1-km segments associated with the 6-km long Moribala and Tarabala faults will be tested in June through a 1,000-m reverse circulation (RC) drilling program (Figure 1). This drilling is aimed to further identify and determine the depth extent of near-surface gold mineralization along the broad target zones. While the drilling takes place, two additional Gradient IP geophysical surveys will be carried out on the Moribala fault to precisely locate the site of additional AC drilling planned for the fourth quarter.

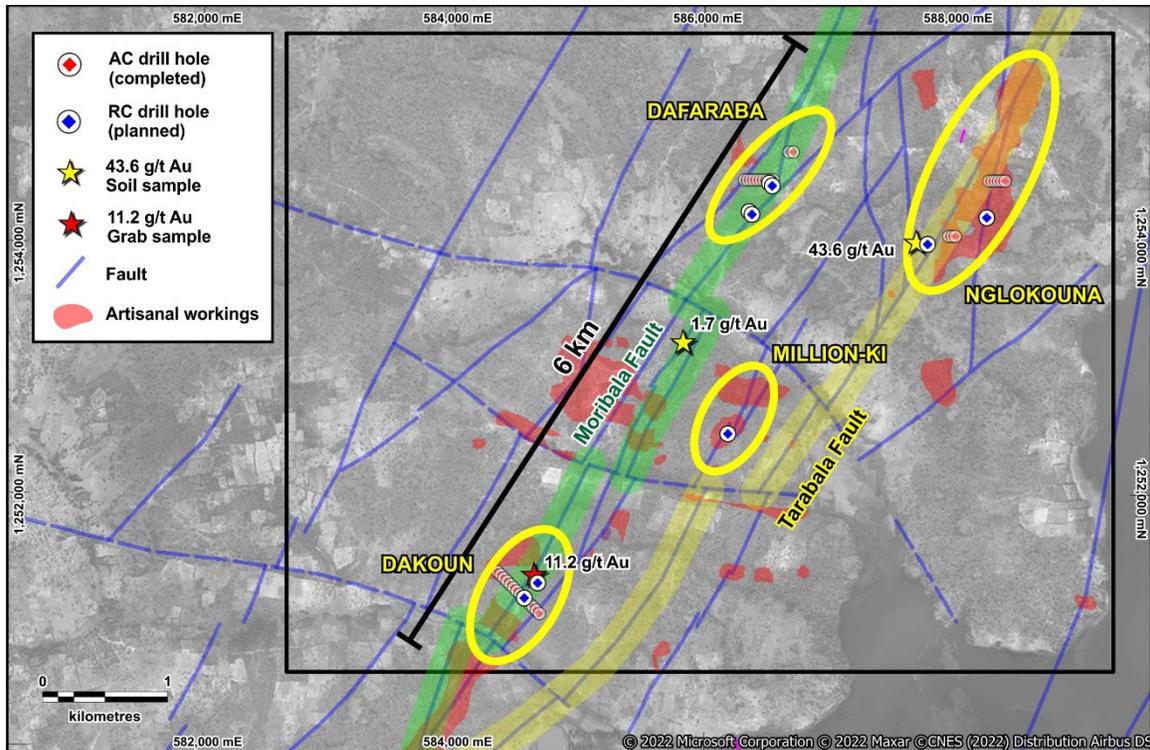


Figure 1: Planned RC drill hole locations on high-priority target zones at Moribala.

Placement Details

Each Unit issued pursuant to the Offering consists 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 acceleration of the expiry date of the Warrants as described below).

If the closing price of the Common Shares on the TSX Venture Exchange is greater than \$0.40 for a period of 20 consecutive trading days, the expiry date of the Warrants may be accelerated by the Company providing notice to the holders of Warrants and, in such case, the expiry date of the Warrants shall be the date which is 30 days following the date on which such notice is provided. The Company will also issue a press release announcing the accelerated expiry date concurrently with the giving of such notice.

Insiders of the Company purchased an aggregate of 1,733,334 shares under the Offering, for aggregate consideration of \$260,000. Such participation is considered a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Participation by insiders in the Offering was exempt from: (i) the valuation requirements of MI 61-101 by virtue of the exemption contained in Section 5.5(b) of MI 61-101, as the Company is listed only on the TSX Venture Exchange; and (ii) the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as at the time the Offering was agreed to,

neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Offering, insofar as it involved interested parties, exceeded 25% of the market capitalization of the Company.

All securities issued pursuant to the Offering are subject to a hold period expiring four months and one day after the date of issuance. Subsequent to the completion of the Offering, the Company has a total of 93,810,336 common shares issued and outstanding. The Offering is subject to final acceptance by the TSX Venture Exchange.

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

About Compass Gold Corporation

Compass is a Tier 2 issuer listed on the TSX- V. Through the 2017 acquisition of MGE and Malian subsidiaries, Compass holds gold exploration permits located in Mali that comprise the Sikasso Property. The exploration permits are located in three sites in southern Mali with a combined land holding of 867 km². The Sikasso Property is located in the same region as several multi-million-ounce gold projects, including Morila, Syama, Kalana and Komana. Mineralization hosted on adjacent and or nearby properties is not necessarily indicative of mineralization hosted on the Company's property. The Company's Mali-based technical team, led in the field by Dr. Madani Diallo and under the supervision of Dr. Sandy M. Archibald, P.Geol., is conducting the current exploration program on several anomalous areas of the Sikasso Property, southern Mali.

Forward-Looking Information

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

For further information please contact:

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