



President's Letter to Compass Gold Shareholders

February 6, 2019

Dear Shareholders,

I am pleased to report that our 2019 exploration program at our Sissako property in southern Mali is well underway. Thanks to the careful management of expenses, we are able to complete the first three months of this latest phase of exploration work with funds remaining from our 2018 budget.

As we have reported, last year, our exploration team in Mali successfully identified fourteen large, high priority gold targets for deeper drilling. All of those targets were located in Ouassada, one of five permit areas that comprise our Sissako properties.

This drilling, which we completed in Q4 2018, was focused on just the first five targets and, as a result, we gained some critical knowledge of the mineralized structure going down to depths of more than 100 metres. Several wide significant mineralized zones were found under the very large Farabakoura target. (*For details, please see our press release dated January 10th, 2019*). Based on this deep drilling – the first ever conducted on these properties – we have learned that the orientation of the mineralized zones is likely along a NW trend at a shallow angle.

Before proceeding with further comprehensive and costly deeper drill testing along all fourteen of the Ouassada targets, we will use a combination of some diamond (DD) and reverse circulation (RC) drilling, as well as roughly 65 km of ground induced polarization (IP) surveying.

The IP survey will be completed over all fourteen Ouassada targets, plus five more targets subsequently identified from additional data processing and interpretation. The results of the IP survey will provide further assistance in locating the mineralized zones, including their depths, as well as the rock type.

In implementing this geophysical survey first, we can dramatically reduce the drilling required to discover the best mineralized zones within the target areas. As our Technical Director, Dr. Sandy Archibald, so aptly put it, "Instead of drilling the barn door, we can focus on the keyhole."

The first results from this important work should be available in the next few weeks and, based on the complete data, we will set our drilling strategy and budget for the remainder of 2019.



Example of ground Induced Polarization (IP) survey

It is important to remember that, beyond Ouassada, we have additional excellent targets on the Sankarani permit next door and there is also more exploration work to do on our remaining permit areas. This will be another busy year for our exploration team.

Turning to the investment side of our business, you are no doubt aware that the junior resource market is continuing to be an extremely challenging one, and Compass's stock has been no exception. In speaking with shareholders over the past few months, I am encouraged by their expressions support and patience. We have confirmed that many of our shareholders view the current share price conditions as a buying opportunity. I share this view, as do my fellow directors, which is why you will see reports of insider purchasing in the market. We have also been meeting with prospective new shareholders who are showing their interest in Compass as evidenced by some of the large trading volumes over the past month.

Whether it is new or existing shareholders, I believe there is a common understanding that our objective at Compass is to create value through discovery. Meanwhile, we know that market volatility will buffet and even depress our share price, despite the evident progress we are making towards that ultimate value. Our first year of exploration has provided strong evidence that we have highly prospective assets and that our approach is the right one. We have made significant strides in gaining the specific knowledge required, and we are confident that our work this year will bring us still closer to that point when not only the market but our neighbouring gold producers and developers will recognize the value we are creating.

On a broader level, we have seen the gold price climb back up over the US\$1,300 level, and the gold industry reshaped by the amalgamation of some of the biggest producers. In the case of the Barrick-Randgold 'merger', it is worth noting that the

CEO of the new coming, 'cut his teeth' in Africa and is clearly placing Africa, including Mali, in the strategic plan for the company.

Mali's place in the mining landscape of African gold mining continues to grow, with dozens of companies from all over the globe focusing on this prolific gold hot spot. Last month, Mali reported that 2018 was a record year for gold production, exceeding 60 tonnes of gold, up 23% over the previous year thanks to two new mines coming into production. Our friends at the country's Mines Ministry predict that gold production in 2019 will rise again as yet another new mine achieves production.

It bears repeating that this gold mining activity in the southern and western regions of the country is far removed from the troubling acts of violence and terrorism that have plagued the very northern and eastern parts of the region. While attempts continue to see those challenging issues resolved, we remain vigilant. However, we believe that our work in the field, as well as the others in our region, will continue without significant interference or security concerns.

In closing, I must report that we are more convinced than ever that Compass is in the right place at the right time. Our team has begun to return the kind of results that will bring us a place at the table as this important gold district continues to thrive for many years to come.

We look forward to bringing you are next results soon, as well as a specific plan and budget for the remainder of the year.

As always, I am happy to hear from any and all shareholders who would like to discuss our progress directly with me or any of our management team.

Sincerely,
Larry Phillips
President and Chief Executive Officer

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