



April 4, 2018

President's Letter to Shareholders

Yesterday we released our latest exploration results from our Sikasso Property in Southern Mali. (The full press release can be found here: <http://compassgoldcorp.com/geochemical-survey-identifies-four-additional-strong-shallow-gold-anomalies/>)

The work by our exploration team over these past three months has been outstanding. Through extensive soil sampling, they have already identified at least nine large, near-surface gold anomalies ranging in length from 2km to 12 km. It is remarkable that every target zone we have worked on so far has produced significant anomalies.

Our team has also completed more than 27,000 metres of auger drilling below the 12km long anomaly at Ouassada. We expect to receive the assays from that drilling, which reaches to depths of 20 metres, later this month. We are very interested to see those results as they will guide our plans for deeper bedrock drilling starting about mid-year.

I am also pleased to report that we are on track to complete our 2018 exploration program on budget and ahead of schedule.

This is all exciting news for our shareholders and our Compass team. We have now reached the stage where we can provide regular and meaningful reports to the market. Our objective going forward is to be known, not for promises made, but for results delivered.

So what comes next for Compass and our shareholders? Clearly, the technical work will continue, and more news will flow on a fairly regular basis. As of April 1st, shareholders who participated in November's Private Placement are no longer restricted from trading shares. We believe that our exploration results so far have only enhanced the value of Compass, and I know many of the shareholders I have spoken with feel the same way. However, the share

trading in Compass has been very sparse, or “by appointment,” as they say. I expect this will change gradually as we report our progress in the field to the investment community, and new buyers are attracted to our story through various media such as conference presentations, newsletter writers and analysts serving the retail community. I do believe our results are providing people with good reasons to buy or hold shares, rather than sell. I want you to know that we are working on building reasonable trading liquidity, which is a critical component of any publicly-listed company.

Thanks to you our shareholders, Compass is fully funded to complete our 2018 work program, so we can build a market following and trading activity in a sound and sustainable way. I believe we are very fortunate to have a mature and experienced shareholder group who will be focused on our fundamental value and who will support further exploration based on the results we deliver over the next six to nine months.

We recognize that our shareholders span three continents, from Australia, North America to the UK. I have asked Greg Taylor, our Director of Communications and Investor Relations, to help organize a series of shareholder “roundtables” by conference call over the next two weeks. We plan to set up convenient times based on your time zone, to have a discussion with me, and our technical director, Sandy Archibald. We want to answer your questions, hopefully, provide some insights and, most importantly, hear your thoughts and suggestions. You will be welcome to invite other colleagues to participate, so please watch for a note from Greg with further details.

Of course, you are always welcome to be in touch directly with me or Greg anytime you have a question or suggestion.

Just as a final note, I would like to provide some context for the broader market and junior resource sector. As I hope you are aware, our management team and Board of Directors have the benefit of decades of experience in the gold exploration world, and we have all seen and persevered through multiple cycles in that time. But “seeing it all before” does not always translate into being able to predict how and when it will play out!

Since Compass was re-launched in December, we have seen the gold price rise from roughly \$1,275 to over \$1,330; however, most gold stocks have lagged during the same period. Right now, there seems to be more excitement over crypto-currencies and cannabis than gold.

According to Beacon Securities research, (Michael Curran Feb.13) the financings of Canadian gold resource companies in the first few months of 2018 is off by roughly two-thirds compared to the previous year (\$200M vs \$665M.) This is despite the fact that, for producers and developers, a gold price above \$1,300 has historically meant healthy margins and free cash flow. For Compass, this is significant because capital investment in development and new production is growing rapidly in the vicinity of our Sikasso property in Southern Mali, one of the most active mining districts in the world. Many of our neighbouring operations represent natural partners or acquirers for large, high-quality resources that can be generated on properties such as ours.

So, at the end of the day, the gold price, markets, and investor sentiment will continue to fluctuate and cycle. Even so, one constant remains – there is great value in finding large, high-quality gold resources. That is precisely what your Compass Gold team is committed to achieving.

Sincerely,

Larry Phillips

President and Chief Executive Officer

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