COMPASS GOLD CORPORATION
(An Exploration Stage Company)

MANAGEMENT DISCUSSION AND ANALYSIS
For the quarter ended March 31, 2016

This Management's Discussion and Analysis ("MD&A") is an overview of the activities of Compass Gold Corporation ("Compass" or the "Company") for the quarter ended March 31, 2016 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 audited financial statements for the year ended December 31, 2015 and the notes attached thereto ("Audited Financials Statements") as well as the condensed consolidated interim financial statements for the three months ended March 31, 2016 ("Financial Statements"). The effective date of this MD&A is May 30, 2016.

Statements in this report 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 to ensure that information used internally or disclosed externally, including the financial statements and accompanying MD&A, is complete and reliable. The Company's board of directors (the "Board") follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee 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.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

1. SUMMARY OF ACTIVITIES AND DESCRIPTION OF BUSINESS

Compass is a public company incorporated under the laws of Alberta and continued into British Columbia. Compass is classified as a mineral exploration company. The Company's continuing operations are dependent upon its ability to either secure additional equity capital or generate consistent cash flow from operations in the future.

During the quarter ended March 31, 2016, the Company was largely inactive.

Subsequent to balance date the Company received a loan of $14,000 from a company controlled by a director of the Company. The amount is unsecured, non-interest bearing and is payable on demand.

2. FINANCIAL SUMMARY

Quarter ended March 31, 2016 compared with March 31, 2015

During the Quarter ended March 31, 2016, the Company incurred a loss of $8,348 (2015 - $13,200) representing the normal operating expenses required for the size and intentions of the Company.

General and administrative expenses for the three months ended March 31, 2016 were $8,348 (2015 - $13,200) and consisted of insurance of $Nil, (2015 – $6,701), listing and registration fees of $3,819 (2015 - $1,991), consulting fees of $3,000 (2015 - $Nil), accounting and audit fees of Nil (2015 - $ 3,800 gain), and administration and other costs of $1,529 (2015 - $1,222). In addition, the company's expenses include a loss on sale of investments of $Nil (2015 - $ 7,086).

The most significant decreases in expenses related to insurance. Comparable to the prior quarter these expenses decreased in line with the reduction in the Company's activities during the quarter.

3. SELECTED ANNUAL FINANCIAL INFORMATION

The following tables provide a brief summary of the Company's financial operations. For more detailed information, refer to the Financial Statements.

Summary of Annual Results	Quarter ended Mar 31 2016 $	Year ended Dec 31 2015 $	Year ended Dec 31 2014 $
Net Sales or total revenues		-	-
Loss	(8,348)	(82,495)	(73,221)
Loss per share – basic and diluted (based on the weighted average of common shares outstanding for the year or period) *	(0.00)	(0.02)	(0.02)
Total assets	583	2,355	67,281
Total current liabilities	62,045	55,470	37,900
Total current liabilities, excluding borrowings due to related party	46,913	40,338	37,900
Total non-current liabilities	Nil	Nil	Nil
Cash dividends declared per-share for each class of share	Nil	Nil	Nil

** Note – During the 2015 year the Company consolidated its capital on the basis of one (1) new share for every forty (40) existing shares held ("Share Consolidation). All share and per share numbers, including comparatives, have been adjusted to reflect the effect of the Share Consolidation*

Summary of Quarterly Results	Quarter ended	Quarter ended	Quarter ended	Quarter ended
	2016, Mar 31 $	2015, Dec 31 $	2015 Sep 30 $	2015 Jun 30 $
Total Revenues	Nil	Nil	Nil	Nil
Loss	(8,348)	(27,245)	1,861	(25,954)
Loss per share – basic and diluted (based on the weighted average of common shares outstanding for the period)*	(0.00)	(0.01)	0.00	(0.01)

Summary of Quarterly Results	Quarter ended	Quarter ended	Quarter ended	Quarter ended
	2015, Mar 31 $	2013, Dec 31 $	2013 Sep 30 $	2013 Jun 30 $
Total Revenues	Nil	Nil	Nil	Nil
Loss	(31,157)	(328)	(8,592)	(23,440)
Loss per share – basic and diluted (based on the weighted average of common shares outstanding for the period)*	(0.01)	(0.00)	(0.00)	(0.01)

** Note Loss per share has been adjusted to reflect the impact of the Share Consolidation.*

4. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

As the Company has no revenue from operations in any of its last two financial quarters, the following is a breakdown of the material costs incurred:

	Quarter ended Mar 31, 2016 $	Year ended Dec 31, 2015 $	Years ended Dec 31, 2013 $
Exploration and Development Costs, *cash payments, net*	Ni	Nil	Nil
Purchase of Property, plant and equipment	Nil	Nil	Nil
General and Administrative Expenses	8,348	54,741	81,972
Any Material Costs (capitalized, deferred or expensed) not referred to above.	Nil	Nil	Nil

5. DISCLOSURE OF OUTSTANDING SHARE CAPITAL

Information on the Company's share capital, including numbers of shares outstanding, details of any conversion features and the number of common shares issuable on conversion of stock options and common share purchase warrants, are detailed in the Financial Statements. The number of common shares outstanding as of the date of this report on May 30, 2016 was 3,805,078.

6. LIQUIDITY AND CAPITAL RESOURCES

The Company is solvent. As at March 31, 2016 the Company had a working capital deficiency of $61,462 (March 2015 - $ 1,776). The Company will be required to seek additional funding from loan fund or the capital markets to progress its activities. The Company has no long-term debt and no long-term liabilities.

The Company will be required to raise further funds to continue its operations. The Company has no committed expenditure and its near term commitments are restricted to general administrative costs.

Working Capital

As at March 31, 2016, the Company had working capital deficiency of $61,462 compared with $1,776 as at March 31, 2015. The working capital at March 31, 2016 comprises cash on hand. The working capital position is affected by the operating expenses of the Company

Cash and Cash Equivalents

As at March 31, 2016 the Company had cash and cash equivalents of $562 (March 2015 - $1,017).

Management of cash balances is conducted in-house based on internal investment guidelines, which generally specify that investments be made in conservative money-market instruments that bear interest and carry a low degree of risk.

Cash Used in Operating Activities

Cash used in the operating activities during the quarter ended March 31, 2016 was $1,276, compared with $9,200 of cash used in operating activities during the quarter ended March 31, 2015. Cash was mostly spent on listing and registration fees and general and administration fees. The lower amount of cash used in operating activities is consistent with the reduced operational activities of the Company during the quarter.

Cash Used in Investing Activities

Total cash from investing activities during the quarter ended March 31, 2016 was $Nil compared with $9,675 for the quarter ended March 31, 2015. During the quarter ended March 31, 2015, the Company sold some investments to fund operations and the cash from investing activities represents the net proceeds received.

Cash Generated by Financing Activities

During the quarter ended March 31, 2016, the Company received $Nil (March 2015 – $Nil) from the issuance of equity securities.

7. GOING CONCERN

As at March 31, 2016 the Company was largely inactive. The Company's continuation as a going concern is dependent upon its ability to acquire new business activities and and/or raise equity capital or borrowings sufficient to meet current and future obligations. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loan funds, and or private placement of common shares.

As at March 31, 2016, the Company had cash and cash equivalents of $563 (March 2015 - $1,017) available to fund operations. The Company will be required to seek loan funds or raise further funds to meet its future obligations. There can be no guarantees that the Company will be able to secure this funding in whole or in part.

8. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are described in detail in Note 8 of the Financial Statements.

There are currently no ongoing remuneration arrangements relating to directors and officers or related party transactions.

9. OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

10. PLAN OF OPERATIONS AND FUNDING

The Company's plan of operations over the next 12 months is to acquire new business activities or assets and to seek equity capital or borrowings sufficient to meet its future obligations.

As at March 31, 2016 the Company had cash and cash equivalents of $563 (March 2015 - $1,017) and shares in listed companies of $Nil (March 2015 - $31,775), which may be sold, available to fund ongoing operating costs. The Company has no committed expenditure and its near term commitments are restricted to general administrative costs, which are minimal. The Company plans to undertake a private placement to fund ongoing operations.

11. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash, receivables, trade payables, and other liabilities. 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. Investments are non-derivative financial assets that are designated as fair value through profit or loss and subsequently measured at fair value. Trade payables, which are measured at amortized cost, are classified as other financial liabilities. Other liabilities are classified as derivative financial liabilities, which are subsequently measured at fair value. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

For the quarter ended March 31, 2016 and the year ended December 31, 2015, 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 details in Note 14 of the Audited Financial Statements.

12. ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The Company's significant accounting policies are detailed in Note 2 to the Audited Financial Statements. IFRS principles have been applied.

The Company's assets principally comprise cash.

13. 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 the following: 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.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: 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.

14. DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

15. ADDITIONAL INFORMATION

For further detail, see the Company's Financial Statements and Audited Financial Statements. Additional information about the Company can also be found on the company's website (www.compassgoldcorp.com) and www.sedar.com.

Approved on Behalf of the Board:

(Signed) "Ian Spence"

Ian Spence
Chief Executive Officer

(signed) "Lara Iacusso"

Lara Iacusso
Chief Financial Officer

May 30, 2016

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