

# Compass Announces Completion of Fully Subscribed Convertible Debenture Offering

Toronto, Ontario--(Newsfile Corp. - December 3, 2024) - **Compass Gold Corp. (TSXV: CVB)** ("**Compass**" or the "**Company**") is pleased to announce the completion of its previously announced private placement offering and has issued, on a non-brokered private placement basis, 610.5 convertible debenture units of the Company (the "**Debenture Units**"), at a price of \$1,000 per Debenture Unit, for aggregate gross proceeds of \$610,500 (the "**Offering**"). The Offering closed on December 2, 2024 (the "**Closing Date**").

The proceeds of the Offering will be used principally to fund the delineation of the mineralized zone identified at Tarabala, located on the Company's Sikasso Property in Southern Mali and to further the establishment and development of a small gold mining operation on high-grade near-surface gold mineralization at the Tarabala Trend (the "**Tarabala Project.**")

Insiders of the Company purchased an aggregate of 30 Debenture Units under the Offering for aggregate consideration of \$30,000. 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, 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.

## Summary of the Offering

Each Debenture Unit issued pursuant to the Offering comprises: (i) one \$1,000 principal amount unsecured convertible debenture of the Company (a "**Convertible Debenture**"); and, (ii) 5,000 common share purchase warrants of the Company (each, a "**Warrant**"), with each Warrant being exercisable to acquire one additional common share of the Company at a price of \$0.18 for a period of 12 months following the Closing Date. An aggregate of 3,052,500 Warrants were issued pursuant to the Offering.

The outstanding principal amount of each Convertible Debenture is convertible, at the option of the holder thereof, at any time prior to maturity, into common shares of the Company at a conversion price of \$0.18 per common share (the "**Conversion Price**").

The Convertible Debentures will mature on June 30, 2025 (the "**Maturity Date**") and bear interest at a rate of 10% per annum, payable in cash or common shares, at the option of the Company. Interest will accrue and be paid in arrears on the Maturity Date. Any payment of interest pursuant to the issuance of common shares will be subject to the prior approval of the TSX Venture Exchange (the "**TSX-V**") and the issue price per common share will be at the then applicable market Price (as such term is defined in the applicable policies of the TSX-V).

If at any time prior to the Maturity Date, the closing price of the common shares of the Company on the TSX-V is greater than \$0.36 per common share for the preceding 20 consecutive trading days, the Company shall have the option to convert the principal amount of the Convertible Debentures then outstanding into common shares at the Conversion Price.

The Convertible Debentures will include covenants and events of default that are typical for a transaction of the nature of the Offering. Among other covenants, so long as the Convertible Debentures are outstanding, the Company will not be permitted to: (i) declare or pay any dividend or other distribution, in

cash, to the holders of its issued and outstanding common shares; (ii) incur any secured debt ranking senior to the Convertible Debentures, other than secured debt incurred by the Company in connection with the Tarabala Project; or (iii) use any funds generated from the operations of the Tarabala Project for the purpose of conducting further exploration activities in respect of the mineral properties of the Company, such that any further exploration will only be conducted using funds raised through the issuance of new equity of the Company for such purpose.

For additional details concerning the Debenture Units, please see Compass news release dated November 19, 2024.

The completion of the Offering is subject to final approval of the TSX-V. All securities issued pursuant to the Offering are subject to a statutory four-month hold period expiring four months and one day after the Closing Date. All dollar amounts referred to in this press release are expressed in Canadian dollars.

None of the securities issued in connection with the Offering will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

### **SMAT Agreement**

This latest financing initiative follows the Company's *October 28, 2024* announcement concerning its plans to produce gold at the Massala prospect located along the 15 km Tarabala Trend, which is contained within the Company's Sikasso Property in southern Mali. Compass reported that it had reached an initial joint-production agreement for toll-treating Compass ore at the adjacent Small Mining Facility owned by SMAT, a Malian business group. The agreement calls for Compass to obtain a Small Mining permit utilizing a 'toll treating' agreement, and for SMAT to deliver and complete the installation of updated processing components at their production facility during Q1 2025.

Funds generated from the Company's small mine gold production will be used for operating cash requirements, to fund repayment obligations in respect of the Convertible Debentures and previously issued convertible debentures (see *Compass news releases dated July 4, 17 and 22, 2024*), for those holders who do not elect to convert their debentures into common shares in the Company, and finally, to pursue opportunities to expand production activities along other sections of the Tarabala trend and conduct additional exploration across the exploration permit areas retained by the Company.

### **About Compass Gold Corp.**

Compass, a public company having been incorporated into Ontario, is a Tier 2 issuer 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 four sites in southern Mali with a combined land holding of 1,173 sq. km. The Sikasso Property is located in the same region as several multi-million-ounce gold projects, including Morila, Syama, Kalana and Komana. 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 current exploration program. They are examining numerous anomalies first noted in Dr. Archibald's August 2017 "National Instrument 43-101 Technical Report on 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 proposed use of proceeds of the Offering, the repayment of obligations in respect of the Convertible Debentures and the development and production of gold from the Tarabala Project. 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.*

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