

# Compass Announces Fully Subscribed \$600,000 Convertible Debenture Offering

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## Funds to be Used for First Phase of Tarabala Project Small Gold Mine

Toronto, June 22, 2023 - [Compass Gold Corp.](#) (TSXV: CVB) (Compass or the Company) is pleased to announce that it intends to issue, on a non-brokered private placement basis, 600 convertible debenture units of the Company (the "Debenture Units"), at a price of \$1,000 per Debenture Unit, for aggregate gross proceeds of \$600,000 (the "Offering"). The Offering is fully subscribed and is expected to close on or about June 30, 2023 (the "Closing Date").

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

The Company currently has commitments from existing shareholders to purchase 600 Debenture Units. At the discretion of the Company, up to an additional 150 Debenture Units may be issued by the Company for further gross proceeds of up to \$150,000, bringing the total proceeds of the Offering to \$750,000.

Compass CEO, Larry Phillips, said, "It has been extremely gratifying to have so many shareholders participate in this Offering and express their support for the Tarabala Project and our demonstrated potential to develop one or more small, near-surface mines which could generate ongoing revenue to fund the exploration work required to develop a far larger, open-pittable gold resource. We have already begun the trenching work needed to properly delineate the near-surface gold mineralization, which we intend to complete before the rainy season begins in the coming weeks."

## Summary of the Offering

Each Debenture Unit to be issued pursuant to the Offering will comprise: (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 \$0.10 for a period of 24 months following the Closing Date.

The outstanding principal amount of each Convertible Debenture shall be convertible at the option of the holder thereof, at any time prior to maturity, into common shares of the Company at a conversion price (the "Conversion Price") of: (i) \$0.08 per common share during the 12-month period immediately following the Closing Date; and (ii) \$0.10 per common share thereafter.

The Convertible Debentures will mature 24 months from the Closing Date (the "Maturity Date") and will 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 \$0.20 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 then applicable Conversion Price.

Subject to the terms of the Convertible Debentures, within 30 days following a change of control of the Company prior to the Maturity Date, the Company shall offer to purchase the Convertible Debentures at a purchase price equal to 100% of the principal amount of the Convertible Debentures then outstanding, together with all accrued and unpaid interest thereon.

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.

The closing of the Offering is subject to customary closing conditions and the receipt of all required regulatory approvals, including the approval of the TSX-V. All securities issued pursuant to the Offering will be subject to a statutory four-month hold period from their date of issuance.

The Company anticipates that certain officers and/or directors of the Company may participate in the Offering. Participation by insiders in the Offering will be exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101") by virtue of the exemptions contained in Sections 5.5(a) and (b), and 5.7(1)(a), respectively, of MI 61-101.

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.

#### 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&dash;Looking Information

This news release contains "forward&dash;looking information" within the meaning of applicable securities laws, including statements regarding the completion of the Offering, the proposed use of proceeds of the Offering and the establishment and development of the Tarabala Project. Readers are cautioned not to place undue reliance on forward&dash;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&dash;looking information except as required by applicable law.

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