

Compass to Dispose of Portfolio of Mali Gold Assets

12.09.2013 | [Marketwire](#)

SYDNEY, AUSTRALIA--(Marketwire - Sep 12, 2013) - [Compass Gold Corp.](#) (TSX VENTURE:CVB) -

Highlights

- **Independent Committee supports the disposal of the Company's Mali gold assets and Share Sale Agreement signed.**
- **Existing Compass shareholders (as a group) will represent a significant proportion of post-transaction Oklo shareholders.**
- **Oklo Consideration Shares to be distributed to Compass shareholders by way of a proposed 5 for 1 return of capital.**
- **Completion of the sale of the Mali gold asset is subject to various conditions, including minimum financing, regulatory approvals and shareholder approvals.**

Compass Gold Corporation ("**Compass**" or the "**Company**") which is focused on gold exploration on six properties in Mali, Africa's third largest gold producer, is pleased to announce that it has entered into an agreement with Oklo Resources Limited ("**Oklo**"), a Australian Stock Exchange listed company, for Oklo to acquire 100% of the issued shares (the "**Shares**") of Compass' wholly-owned subsidiary Compass Gold (BVI) Mali Corp. ("**Compass BVI Mali**") which would constitute the sale of substantially all of the assets of the Company (the "**Transaction**").

Compass BVI Mali, through subsidiaries in Mali, owns 100% of the Company's gold projects which are the Yanfolila, Dandoko, Moussala, Kolondieba, Solabougouda and Sirakourou gold exploration permits located in Mali, West Africa. A description of these projects is provided in Appendix A.

Background

On July 30, 2013, Compass announced that it had entered into a non-binding letter of intent dated July 30, 2013 with Oklo in respect of the Transaction (the "**Letter Agreement**"). Mr. Henderson, the Chairman of the Company, is also Chairman of Oklo and consequently the Transaction with Oklo is a non-arm's length transaction under the policies of the TSX Venture Exchange (the "**TSXV**"). Consequently, the Company formed a special committee of independent directors (the "**Independent Committee**") to consider the Transaction and to advise the board of Compass (the "**Board**") whether the Transaction would be in the best interests of the Company and its shareholders and to approve, if appropriate, the terms of a definitive agreement in respect of the Transaction.

Following its review of the Transaction, the Independent Committee recommended to the Board, and the Board approved, the Transaction. The Company entered into a share sale agreement dated September 12, 2013 between the Company, Compass Gold (BVI) Holdings Corp., Compass BVI Mali and Oklo (the "**Share Sale Agreement**") to sell the Shares to Oklo.

Oklo (**ASX:OKU**) is listed on the Australian Stock Exchange ("**ASX**"). Oklo's primary assets are two gold projects located in the key gold producing region of Western Mali. These projects are located near established infrastructure close to the Mali-Senegal-Mauritania borders and north of the regional gold mining centre of Kayes. The projects are located within the important greenstone belt geology system and are in the same mineralized corridor that hosts the Sadiola ([IAMGold Corp./AngloGold Ashanti](#)), Loulo (Randgold Resources) and Yatela ([IAMGold Corp./Anglogold Ashanti](#)) mines.

Over the last few years, the Company has positioned itself as an emerging mineral exploration company in

the highly prospective gold producing areas in South and Western Mali. The Company, through Compass BVI Mali, currently holds permits covering 1,138 square kilometers located within Mali's Birimian Greenstone Belt, believed to be one of the fastest growing gold production and exploration areas in the world. The core rationale for the Transaction is to effectively move the Company's assets to an ASX listing with a company that has complementary operations and assets and in doing so provide improved access to capital markets and achieve overall cost efficiencies.

As part of the Transaction, Compass proposes to undertake a return of capital to Compass shareholders in the form of Consideration Shares (as defined below) on the basis of 5 Consideration Shares for every 1 Company share held (the "**Distribution**"). On completion of the Distribution, Compass shareholders are expected to own approximately 61% to 54% of Oklo, based on the size of Oklo's private placement and other factors. Further details are set out below.

Transaction Terms

1. Subject to certain terms and conditions precedent, as outlined below, Compass has agreed to sell all of the Shares, and Oklo has agreed to purchase all of the Shares, for an aggregate price of A\$4,000,000 (the "**Purchase Price**") plus the provision of the working capital facility (see below) plus the payment of transaction costs (see below) (collectively, the "**Consideration**").
2. The Purchase Price will be satisfied by the issuance to the Company by Oklo of an aggregate of 800,000,000 fully paid shares (the "**Consideration Shares**") in the capital of Oklo.
3. Oklo has agreed to provide a working capital facility of up to A\$250,000 to be advanced during the period between the date of the Share Sale Agreement and closing of the Transaction on normal commercial terms including security arrangements (the "**Working Capital Facility**"). At closing, the Working Capital Facility will cease and the balance outstanding will form part of the Consideration.
4. Oklo has agreed to fund reasonable transaction costs incurred by Compass or Compass BVI Mali in connection with the Transaction, up to a maximum of A\$200,000 incurred from the date of the Letter Agreement ("**Transaction Costs**").

Conditions Precedent

The parties' obligations under the Share Sale Agreement are subject to the satisfaction of the usual conditions precedent to a transaction such as the Transaction, including:

1. the completion of due diligence investigations by Compass in respect of Oklo, and Oklo in respect of Compass, to their sole and absolute satisfactions;
2. Oklo having either completed on or before the closing of the Transaction a minimum A\$600,000 and maximum A\$1,500,000 private placement or secured an unconditional underwriting for a minimum A\$600,000 and maximum A\$1,500,000 private placement, which must be closed within 60 days of November 30, 2013;
3. Compass having assigned full rights to the Net Smelter Royalty Option Agreement between Compass and Africa Mining SARL dated December 3, 2009 to Compass BVI Mali;
4. the Consideration Shares, upon completion of the Transaction and the Distribution, not being subject to any resale restrictions in Canada or Australia, other than any escrow imposed by ASX on related parties of Compass;
5. all consents being obtained from all third parties that are necessary to complete the Transaction, including without limitation, receiving all necessary Oklo shareholder approvals, Compass shareholder approvals, and regulatory approvals (including the TSXV) and the requirement for any independent report or independent valuations and the ASX confirming in writing that Listing Rule 11.1.3 will not apply to the Transaction; and
6. no material adverse changes in the financial condition, assets or liabilities (contingent or otherwise) of either Compass, Compass BVI Mali or Oklo.

The Share Sale Agreement also contains termination provisions in the event the conditions are not satisfied or waived by the parties. In particular:

1. If the Transaction is not completed as a result of Compass not satisfying certain conditions precedent, then:
 - a. the Working Capital Facility will become due and payable and Compass will have a period of 120 days from the date of termination in order to repay the loan in full with interest;
 - b. any Transaction Costs paid by Oklo must be repaid within 60 days of the termination date; and
 - c. Compass will be required to pay a break fee of A\$150,000 within 60 days from the termination date.
2. If the Transaction is not completed as a result of Oklo not satisfying certain conditions precedent, then:
 - a. the Working Capital Facility will be converted into a non-interest bearing loan for a period of 6 months following the termination date, after which time the loan will become due and payable and interest will accrue or, at Oklo's option, the loan may be converted into shares of Compass;
 - b. any Transaction Costs paid by Oklo will be on account of Oklo and Oklo will have no recourse to Compass.

Completion of the Transaction is subject to the above conditions precedent, including but not limited to TSXV acceptance. The Transaction cannot close until the required shareholder and regulatory approvals are obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Key Rationales for the Transaction

- a. **Faster Path to Access Funding and ASX listing** - Like many junior exploration companies listed on the TSXV, Compass has had difficulty in raising sufficient capital to adequately advance its projects. The Transaction addresses two key issues:
 - I. It provides sufficient immediate cash to deal with existing and expected liabilities and some surplus cash to progress an initial exploration program at its Dandoko project; and
 - II. It provides a relatively fast and cheaper path to an ASX listing - which ultimately should improve ongoing access to capital.
- b. **Strategic Land-holding** - The Transaction allows the consolidation of Oklo and Compass' gold asset landholdings in Mali. Post Transaction, Oklo will hold interests in 8 gold projects covering 1,389 km² in Mali's most prospective gold zones.
- c. **Consolidation of Exploration Expertise** - Oklo and Compass already share some on-the-ground exploration resources in Mali. The Transaction would allow the Mali exploration teams to be consolidated and would allow for efficiencies of scale and greater geological continuity, facilitating more focussed exploration. The post-Transaction geological team will have an expanded capability to move key projects through exploration phases and project development.
- d. **Opportunity to Attract Dedicated Broker Support** - Strategically, given the combined scale of assets and focussed management, the Transaction provides an opportunity to enlist a dedicated broker for Oklo who could support the financing as well as providing ongoing broker support to Oklo. Neither Oklo nor Compass has been large enough to attract dedicated broker support in the past.

Finder's Fees

Oklo has advised that on successful completion of the Transaction, its corporate advisers will be paid a finder's fee in the form of fully paid shares in Oklo equal to 2% of Oklo's post-Transaction issued capital.

No finders' fees are payable by Compass.

Distribution

Compass expects to undertake the Distribution within 14 days of the completion of the Transaction, subject to applicable regulatory requirements and approvals. At a result of the Distribution, Compass shareholders will be issued Consideration Shares that should not be subject to any resale restrictions in Canada or Australia, other than any escrow imposed by ASX on certain related parties of Compass. The Consideration Shares will continue to trade on the ASX. Full details of the Distribution will be separately provided to Compass shareholders. Subsequent to the Distribution, Compass will be a shell company and it is expected that Compass will be suspended from trading on the TSXV and will be moved to the NEX board of the TSXV.

General

The Transaction and the Share Sale Agreement were considered and approved by the Independent Committee, which, among other things, received an estimate valuation report and related fairness opinion from RWE Growth Partners Inc., a financial advisor engaged by the Independent Committee in connection with the Transaction. Full details of the Independent Committee's review and approval process and the fairness opinion will be contained in the information circular to be sent to shareholders of Compass for the special shareholder meeting to be called to approve the Transaction. The information circular is expected to be mailed to shareholders during October, 2013.

All scientific and technical information contained in this news release (including Appendix A) has been reviewed and approved by Malcolm A Carson, BSc Geo, MSc Nat Res. Mgt., MAIG, a director of Compass and a "qualified person" within the meaning of National Instrument 43-101.

About Compass Gold

[Compass Gold Corp.](http://www.compassgoldcorp.com), a Tier 2 mining issuer listed on the TSXV, is focused on gold exploration in Mali, Africa's third largest producer of gold. Compass, through its wholly owned subsidiary, Africa Mining SARL, owns a 100% interest in six gold exploration permits (Yanfolila, Dandoko, Moussala, Kolondieba, Solabougouda and Sirakourou), covering an aggregate of 1,138 sq kms in key gold-producing regions in southwest Mali, West Africa. Further information is available at www.compassgoldcorp.com.

COMPASS GOLD CORPORATION

Ian Spence, President and CEO

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Forward-Looking Information

This news release may include "forward-looking statements" or "forward-looking information" as defined in applicable Canadian securities laws. Forward-looking statements include, but are not limited to, the timing of the completion of the Transaction, regulatory and shareholder approvals, rationales for the Transaction, timing of the proposed Distribution, escrow and resale restrictions of the Consideration Shares and timing of mailing the information circular, many of which are beyond the control of Compass. Forward-looking statements are based on a number of factors or assumptions including, but not limited to, obtaining regulatory and shareholder approvals on a timely basis and the parties being able to meet the conditions precedent to complete the Transaction. Forward-looking statements are subject to various known and unknown risks and uncertainties, including, but not limited to: the risk that the Transaction will not be approved by the shareholders of Compass or Oklo or regulatory authorities; risks related to the Transaction not being completed in the event that the conditions precedent are not satisfied; unanticipated costs and expenses; regulatory restrictions, including escrow or resale restrictions on the Consideration Shares; and other risks and uncertainties. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Additional risks and uncertainties about Compass' business are more fully discussed in the Company's disclosure materials, including its MD&A, filed with the securities regulatory authorities in Canada and available at www.sedar.com and readers are urged to read these materials. Compass does not undertake any obligation to update any forward-looking statement, except as required by applicable law.

Appendix A - Summary of Compass BVI Mali Assets

A successful completion of the Transaction will involve Compass disposing its entire portfolio of 6 Mali gold projects to Oklo. Details of the assets being disposed of are set out below:

Project	Region	Size (km ²)
Dandoko	Mali West	134
Moussala	Mali West	66
Yanfolila	Mali South	250
Kolondieba	Mali South	250
Solabougouda	Mali South	188
Sirakourou	Mali South	250

To view the map accompanying this press release please click on the following link:

<http://media3.marketwire.com/docs/CVB0912.pdf>

Dandoko Project - West Mali

Dandoko is located 30km east of the recently discovered Fekola deposit (Papillon Resources ASX: PIR) in West Mali's gold belt. The 134km² project was originally selected for its favorable structural setting, prospective for large gold occurrences.

Dandoko is situated over major, highly prospective, known gold bearing NE-SW trending secondary structures, with E-W and NW-SE cross cutting shears. Multiple large gold-in-soil anomalies have been defined over 12 linear kilometers, over known prospective structures. 5 linear kilometers of recent (majority since September 2012) artisanal workings, currently producing substantial amounts of nuggets & free gold provide the basis for some outstanding drill ready targets in conjunction with structural & geochemical interpretations.

Moussala Project - West Mali

Moussala is located only 15km east of the Fekola deposit (Papillon Resources ASX: PIR). This recently granted tenement has known large NE-SW trending structures running through it, interpreted as secondary structures emanating from the main Mali-Senegal fault system. Recent mapping, geochemical sampling and identification of artisanal mining has identified gold mineralized zones requiring drill testing for the first time.

Yanfolila Project - South Mali

Yanfolila is attractively located by being adjacent to existing infrastructure, including sealed roads, hydroelectric power, water sources & telecommunications. The project is located 25km east of Goldfields' (JSE:GFI) Komana deposit and 30km and 35km north of the Kodieran (Pearl Gold AG FSE:02P), Kalana ([Avnel Gold Mining Ltd.](#) TSX:AVK) gold mines.

The 250km² project is located over a highly prospective package of structurally controlled granite greenstone terrain composed of basement granites in contact with Birimian metasediments and metavolcanics. Several highly prospective major NE-SW trending structures with large coincident gold-in-soil anomalies are present through the project area.

Drilling of one of these major structures in 2012 at the Solona Main prospect (1 of several prospects identified) intersected high-grade gold mineralization in a large unusually deeply weathered (>160m deep) gold system.

Kolondieba Project, South Mali

Located 70km west northwest of the Syama Gold Mine and 50km south of the Morila Mine the Kolondieba project is prospective for gold mineralization in a similar structural setting to Morila. Drilling to test identified gold in soil anomalies over major structures is planned.

Solabougouda & Sirakourou, South Mali

These projects are located on interpreted major NW-SE structures in south Mali. To date, little work has been done on the projects with Sirakourou only having been very recently granted.

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