

Compass Completes Convertible Debenture Unit Offering - Proceeds Increased to \$650,000

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First Phase of Trenching Nearly Complete at Tarabala Small Mine Project

Toronto, July 4, 2023 - [Compass Gold Corp.](#) (TSXV: CVB) (Compass or the Company) is pleased to announce that, following additional demand, its previously announced offering of convertible debenture units ("Debenture Units") was increased by \$50,000. (See Compass news release dated June 22, 2023). The Corporation has now completed the issuance, on a non-brokered private placement basis, of 650 Debenture Units, at a price of \$1,000 per Debenture Unit, for aggregate gross proceeds of \$650,000 (the "Offering"). The Offering closed on June 30, 2023 (the "Closing Date").

The proceeds of the Offering will be principally used to fund the first phase of delineating the mineralized zone identified at Tarabala, located on the Company's Sikasso Property in Southern Mali. The work to be completed over the next several months includes, trenching assaying and bulk sample metallurgical testing as part of the proposed establishment and development of a small gold mining operation on high-grade near-surface gold mineralization at the Tarabala Trend (the "Tarabala Project").

Compass CEO, Larry Phillips, said, "Thanks to the strong support of our shareholders, the successful completion of this Offering will allow our exploration team to move quickly to complete the initial trenching and testing work which commenced about two weeks ago. The completion of this work along this first section of the Tarabala trend will provide important data regarding gold grade and recovery which will assist with the planning and development of a near-surface mining operation at Tarabala. For Compass, the ability to generate revenue from our own near-surface mine is an important strategic objective, which will distinguish us from virtually any other junior exploration company in this region. Revenue from such an operation can be used to fund the deeper drilling required to develop a much larger, open-pittable gold resource."

Each Debenture Unit issued pursuant to the Offering comprised: (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 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 (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.

For additional details concerning the Debenture Units, please see Compass news release dated June 22, 2023.

The closing of the Offering is subject to final approval of the TSX Venture Exchange. 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.

Insiders of the Company purchased an aggregate of 175 Debenture Units under the Offering, for aggregate consideration of \$175,000. Such participation is considered a "related party transaction" within the meaning

of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions. 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.

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‐Looking Information

This news release contains "forward‐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‐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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