

Compass Announces Joint Production Agreement to Commence First Commercial Gold Recovery on Tarabala Trend

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First Production and Cash-Flow Planned for Q1 2025

Toronto, October 28, 2024 - [Compass Gold Corp.](#) (TSXV: CVB) (Compass or the Company) is pleased to provide an update on 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. (See Figure 1.)

Highlights

- Initial joint-production agreement reached for toll-treating Compass ore at the adjacent Small Mining Facility owned by SMAT, a Malian business group.
- 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.
- Free cash flow generated by operation would be used to fund operating cash requirements, convertible debenture repayments, and to expand exploration and production activities.

Compass CEO, Larry Phillips, said, "This initial joint-production arrangement represents an important new stride forward for Compass's plan to achieve our near-term objective to expedite profitable, near surface gold production with minimal capital investment. The ability to generate free cash flow, while retaining 100% control of our permit areas and the tremendous potential they contain, sets Compass apart from the vast majority of exploration companies. We firmly believe the accelerated timeline afforded by this arrangement is especially important, given the historically high gold price to be realized through the production and sale of gold in the coming year.

Dr. Madani Diallo, Director and Country Manager, added, "We are very pleased to be partnering with SMAT, owned by a successful Malian business group who can be a strong strategic partner with Compass. SMAT has invested in a modern small mine processing facility located less than 3 kilometres from our near surface Massala gold prospect. As previously reported, this target zone has a strike length of at least 150 metres, and has been tested by a series of trenches down to a depth of 5 metres. Our assay results show that the mineralization clearly exceeds the 1-gram-per-tonne level that we consider to be profitable for a small mine. We are very excited to be seeing this first small mine coming into production as we continue to explore the opportunities for additional production scenarios along the highly prospective Tarabala trend."

Figure 1: Location of Massala and Tarabala prospects in relation to the SMAT processing plant. The Tarabala trend is defined by the zone of gold mineralization identified by Compass drilling.

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/1861/226731_973b6352e49f881c_001full.jpg

The Joint-Production Agreement:

Compass recently reached an initial agreement for a joint production and toll-treating arrangement with SMAT, a Malian business group, regarding the use of its small mining facility, located adjacent to Compass's Massala and Tarabala prospects. The major portion of the facility is already onsite and awaiting the optimization of the processing components. Compass and its joint-venture partner have targeted Q1, 2025

for the SMAT processing facility to be operational and for Compass to have secured the required Mining Permit authorizing this joint toll-treating agreement.

Under this arrangement, Compass will be able to produce gold within the SMAT facility, by processing ore from Tarabala trend at a rate of up to 50 tonnes/hour. This total annual gold production and ore processing will fall within the provisions of the Malian Mining Code for Small Mines, as proclaimed in July of this year. (See Compass news release dated August 19, 2024). This code allows for a maximum of 200,000 tonnes/year and 160,000 ounces of gold over a four-year period.

A number of specific issues, including precise cost-sharing details, will be determined once the full plant is tested and commissioned for production.

Funds generated from the Company's small mine gold production will be used for operating cash requirements, providing funds to repay the Convertible debenture (see Compass news release dated July 4, 17 and 22, 2024) for those holders who do not elect to convert their interest to 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.

Next steps

Compass's Malian team has commenced the applications process for permit renewals for the complete Sikasso Project area (1,173 sq. km), which includes an application for a Small Mining Permit over the Massala and Tarabala prospects (5 sq. km). The new Malian Mining Code provides a streamlined process for such a permit. This permit has a four-year term, which allows a total production of 160,000 ounces of gold with a limit of 200,000 tonnes of ore per year. Figure 1 illustrates our proposed permit area including the proximity of the location of the SMAT processing facility.

Audit Committee Update

In compliance with the applicable policies of the TSX Venture Exchange (the "TSXV") and National Instrument 52-110 - Audit Committees ("NI 51-102"), Compass has reconstituted its Audit Committee. Specifically, Larry Phillips has been added to the Audit Committee to fill the vacancy created following the passing of Company director Bill Pugliese earlier in the year. The Audit Committee is now comprised of three directors, namely, James Henderson (Chair), Joseph Conway and Larry Phillips, a majority of whom are considered "independent" under the applicable policies of the TSXV and NI 52-110. Each of Messrs. Henderson and Conway is independent. Mr. Phillips is not considered to be independent as he is the President and Chief Executive Officer of Compass.

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 three 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."

Qualified Person

This news release has been reviewed and approved by EurGeol. Dr. Sandy Archibald, P.Geo, Compass's Technical Director, the Qualified Person for the technical information in this news release under National Instrument 43-101 standards.

Forward‐Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws, including statements regarding the Company's planned exploration work and management appointments. 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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