

Compass Announces Second Tranche of Convertible Debenture Offering

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Funds to be Used for Corporate Operations in Further Preparation for Advancing the Tarabala Small Gold Mine Project

Toronto, July 11, 2024 - [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, an additional 175 convertible debenture units of the Company (the "Debenture Units"), at a price of \$1,000 per Debenture Unit, for aggregate gross proceeds of \$175,000 (the "Offering"). The Debenture Units are being issued on the same terms and conditions as the Debenture Units previously issued by the Company on June 30, 2023 (the "Prior Closing").

The proceeds of the Offering will principally be used to fund the Company's basic operations and obligations while management examines various alternatives to generating internal cash flow from the near surface mineralization identified at Massala and Tarabala. This may include a limited amount of additional work in preparation for submitting a Small Mining application to Malian mining regulators once the new Mining Code has been formally adopted. This application would be for the operation on high-grade near-surface gold mineralization at the Tarabala Trend (the "Tarabala Project").

As previously reported (see Compass news release dated June 22 and July 4, 2023), the Company raised \$650,000 pursuant to the Prior Closing. Assuming the completion of the Offering, the total gross proceeds to the Company from the sale of Debenture Units will be \$825,000.

Compass CEO, Larry Phillips, said, "As we have previously reported, our technical team has been highly successful at advancing the trenching work needed to properly delineate one segment of the near-surface gold mineralization at the Tarabala Small Mine Project. As we prepare for the completion of this field work, we will also be developing the independent analysis required to enable us to determine a more detailed economic model necessary for fully financing and building our first, near-surface small gold mine in the coming year."

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 until June 30, 2025.

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 of \$0.10 per common share (the "Conversion Price").

The Convertible Debentures will mature on June 30, 2025 (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 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.

It is anticipated that insiders of the Company will purchase 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. Participation by insiders in the Offering will be 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.

For further information please contact:

Compass Gold Corporation	Compass Gold Corporation
Larry Phillips - Pres. & CEO	Greg Taylor - Dir. Investor Relations & Corporate Communications
lphillips@compassgoldcorp.com	gtaylor@compassgoldcorp.com
T: +1 416-596-0996 X 302	T: +1 416-596-0996 X 301

Website: www.compassgoldcorp.com

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