

Signal Gold Announces Q3 2022 Financial Results

01.11.2022 | [ACCESS Newswire](#)

TORONTO, November 1, 2022 - [Signal Gold Inc.](#) ("Signal Gold" or the "Company") (TSX:SGNL)(OTCQX:SGNLF) is pleased to report its financial and operating results for the three and nine months ended September 30, 2022 ("Q3 2022"). The consolidated financial statements and management discussion and analysis documents can be found at www.sedar.com and the Company's website, www.signalgold.com. All dollar amounts are in Canadian dollars unless otherwise noted.

"As previously announced, the Company has decided not to proceed with the development of Stog'er Tight at this time and will be winding down the Point Rousse operation after the completion of mining at Argyle. Point Rousse is now expected to produce between 20,000 to 21,000 ounces of gold in 2022 and expects the processing of Argyle ore to continue into early 2023 before transitioning to care and maintenance. In Q3 2022, the operation produced 4,990 ounces of gold and sold 5,615 ounces to generate metal revenue of \$12.7 million. Based on the remaining forecast for Argyle, the Company has a financial plan which will ensure a proper severance and retention plan for impacted employees and allow for the discharge of all trade payables and equipment leases, while it continues with ongoing progressive rehabilitation of the site."

~Kevin Bullock, President and Chief Executive Officer, [Signal Gold Inc.](#)

Highlights for the Period Ended September 30, 2022

- Signal Gold sold 5,615 ounces of gold in the third quarter of 2022, a 118% increase from the third quarter of 2021, generating metal revenue of \$12.7 million at an average realized gold price* of \$2,258 (US\$1,729) per ounce sold.
- Point Rousse produced 4,990 ounces of gold in the third quarter of 2022, an increase of 2,772 ounces or 125% from the third quarter of 2021 due to the higher-grade profile of Argyle mill feed. Production decreased 8% from Q2 2022 due to scheduled mill maintenance in September for a mill liner change.
- Mine operations moved 92,729 tonnes of ore during the third quarter from Argyle, a 25% increase from the second quarter of 2022 when the mine's ability to drill and blast was impeded in April from the impact of water management issues in the first half of the year. Point Rousse maintained an ore stockpile of approximately 19,600 tonnes as of September 30, 2022.
- The Pine Cove Mill processed 92,617 tonnes during the third quarter of 2022. The mill achieved a strong average recovery rate of 88.7% driven by the higher-grade Argyle mill feed in the third quarter, with mill availability reflecting the scheduled maintenance downtime.
- Operating cash costs per ounce sold* at the Point Rousse operation in Q3 2022 were \$1,447 (US\$1,108), reflecting a 10% increase from Q2 2022 due to lower mining productivity resulting in higher costs during the quarter. Based on the year-to-date operating cash costs of \$1,694, operating cash costs per ounce sold* for the full year are now expected to be approximately \$1,500 per ounce of gold sold (US\$1,155) (based on an approximate annual exchange rate of 0.77).
- All-in sustaining cash costs per ounce sold*, including corporate administration and sustaining capital expenditures, were \$1,796 (US\$1,375) for Q3 2022.
- Net loss for the three months ended September 30, 2022 was \$1,168,037, or \$0.01 per share, compared to \$1,078,899, or \$0.01 per share, for the three months ended September 30, 2021.
- On August 2, 2022, the Company received the Environmental Assessment Approval for the Goldboro Gold Project from the Nova Scotia Minister of Environment and Climate Change, subject to the terms and conditions outlined in the Approval, marking a significant milestone in the regulatory approval process.
- As of September 30, 2022, the Company had a cash balance of \$12.2 million and an undrawn revolving credit facility of \$3.0 million.

* Refer to Non-IFRS Measures Section below. Non-IFRS financial measures are not standardized financial measures under the financial reporting framework used to prepare the financial statements and may not be comparable to similar financial measures disclosed by other issuers.

Consolidated Results Summary

Consolidated Results Summary

Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Revenue (\$)	12,687,652	30,270,352	20,155,365
Cost of operations, including depletion and depreciation (\$)	11,638,510	29,255,556	23,123,227
Mine operating income (loss) (\$)	1,049,142	1,114,796	(2,967,862)
Net loss (\$)	\$1,168,037	(5,048,563)	(5,778,000)
Net loss per share (\$/share)	(0.01)	(0.03)	(0.03)
- basic and diluted			
Cash generated from (used in) operating activities (\$)	3,885,127	(44,395)	(1,030,618)
Capital investment in property, plant and equipment (\$)	3,125,994	3,025,233	5,431,463
Capital investment in exploration and evaluation assets (\$)	2,160,711	9,491,612	9,195,864

Average realized gold price per ounce*	US\$1,729	US\$1,779	US\$1,792	US\$1,812
Operating cash costs per ounce sold*	US\$1,108	US\$1,656	US\$1,320	US\$1,828
All-in sustaining cash costs per ounce sold*	US\$1,375	US\$3,158	US\$1,816	US\$2,799
	September 30, 2022		December 31, 2021	
Working capital (deficit) (*)		(325,104)		1,397,113
Total assets (\$)		101,713,519		95,551,004
Non-current liabilities (\$)		9,473,988		8,235,993

*Refer to Non-IFRS Measures section below.

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Ore mined (t)	92,729	18,047	235,987	106,762
Waste mined (t)	563,351	802,087	1,640,665	1,934,794
Strip ratio	5.8	44.4	7.0	18.1
Ore milled (t)	92,617	118,988	296,671	328,551
Grade (g/t Au)	1.89	0.67	1.57	0.88
Recovery (%)	88.7	86.2	88.2	85.9
Gold ounces produced	4,000	2,218	13,236	7,959
Gold ounces sold	5,645	2,574	13,204	8,849

Review of the Three Months Ended September 30, 2022

Operational Overview

The Point Rousse operation produced 4,990 ounces of gold in Q3 2022, representing an 8% decrease over the second quarter of 2022 and a 125% increase compared to the third quarter of 2021. The decrease from the second quarter of 2022 reflects scheduled mill maintenance during September for a mill liner change, and the change over the comparative period of 2021 reflects the higher-grade profile of mill throughput from Argyle. During Q3 2022, the mine operations moved 92,729 tonnes of ore, an increase of 25% from the prior quarter when the mining operation was impacted by elevated ammonia levels in water in the Argyle Pit, with normal mining operations commencing in May. The Company achieved a reduced stripping ratio of 5.8 waste tonnes to ore tonnes in the third quarter of 2022, reflective of development work performed during the first half of 2022.

The Pine Cove Mill processed 92,617 tonnes during Q3 2022 and achieved a strong average recovery rate of 88.7%, consistent with the second quarter of 2022. The strong recovery corresponds with the average mill grade of 1.89 g/t, as mill throughput was exclusively from the Argyle Mine, which helped offset the impact of the downtime due to scheduled mill maintenance.

Financial Results

Signal Gold sold 5,615 ounces of gold during the third quarter of 2022 to generate metal revenue of \$12.7 million at an average realized gold price* of \$2,258 (US\$1,729) per ounce, representing a 117% increase in metal revenue compared to the third quarter of 2021 due to higher production and gold sales.

Operating expenses for the three months ended September 30, 2022 were \$7,691,089 compared to \$5,402,512 in the three months ended September 30, 2021. Operating expenses for the third quarter of 2022 included mining costs of \$4,371,298 which were 128% higher than the comparative period, primarily due to significantly lower tonnes mined combined with the impact of the high capitalization of deferred stripping from the development of the Argyle Open Pit in Q3 2021. Processing costs of \$2,730,692 in the most recent quarter were relatively consistent with the comparative period of 2021 despite scheduled maintenance resulting in 22% less tonnes milled in the third quarter of 2022. Point Rousse was milling lower grade stockpiles in the third quarter of 2021 while it was focused on development of the Argyle pit. Operating expenses and depletion and depreciation in Q3 2022 were also impacted by a write down to metal inventory of \$1,311,000 to net realizable value, of which \$923,721 was recorded through operating expenses and \$387,279 was recorded through depletion and depreciation. Operating cash costs per ounce sold* in the third quarter of 2022 were \$1,447 (US\$1,108) and are expected to continue to decrease into the fourth quarter as Point Rousse winds down operations after the completion of mining from Argyle.

The royalty expense for the third quarter of 2022 was \$441,809 compared to \$53,434 in the third quarter of 2021, reflecting the 3% net smelter return royalty that applies to Argyle. Depletion and depreciation for the three months ended September 30, 2022 was \$3,503,612, a significant increase from \$1,444,037 in the third quarter of 2021 reflecting comparatively higher production in 2022 and the reduced mineral reserve at Argyle, which results in a lower denominator for depletion and depreciation on a units-of-production basis relative to the denominator used in the comparative period.

Mine operating income for the three months ended September 30, 2022 was \$1,051,142, compared to the mine operating loss of \$389,590 in the corresponding period of 2021. The improvement from the prior year reflects increased gold production and sales resulting from higher mining activity.

Corporate administration costs were \$1,110,793 in the third quarter of 2022 compared to \$905,089 in the third quarter of 2021, reflecting increased legal costs, salary adjustments and severance expenses, and increased marketing activities compared to 2021 when the pandemic largely eliminated all marketing-related travel.

Finance expense for Q3 2022 was \$482,733 compared to \$32,641 in the comparative quarter of 2021, reflecting the impact of finance charges related to the Auramet senior secured loan facility and related promissory note which was entered into in May of 2022.

Other expenses for Q3 2022 were \$180,561 compared to other income of \$138,973 in the comparative quarter of 2021. The decrease from the prior period reflects a foreign exchange loss of \$407,414, which was partially offset by the unrealized derivative gain of \$188,107. The foreign exchange loss is primarily related to the revaluation of the Auramet secured loan facility and related promissory note, whereas the derivative gain is related to the valuation of call options granted as part of the promissory note, which are recorded as a derivative liability.

In Q3 2022, the Company recorded a recovery of \$41,153 as a deferred premium on flow-through shares, representing the proportion of the remaining qualifying exploration expenditures that were spent from the May 2021 flow-through financing in the third quarter of 2022. The flow-through financing from June 2022 remains unused.

Net comprehensive loss for the three months ended September 30, 2022, was \$1,168,037, or \$0.01 per share, compared to a net comprehensive loss \$1,078,899, or \$0.01 per share, for the three months ended September 30, 2021. The improvement was the result of higher gold sales and resulting metal revenue, partially offset by higher operating expenses and depletion and depreciation in the third quarter of 2022.

* Refer to Non-IFRS Measures Section below.

Financial Position and Cash Flow Analysis

As of September 30, 2022, the Company had cash and cash equivalents of \$12,188,696 and a working capital deficit* of \$325,104. The current portion of loans includes the US\$8,000,000 Promissory Note with Auramet. The Note is due on May 5, 2023 and the Company may repay the Note from time to time, in minimum incremental amounts of US\$1,000,000, either in whole or in part, subject to any accrued interest. Interest accrues on the unpaid principal amount at the rate of 8% per annum plus the greater of (i) 90 Day US\$ SOFR (Secured Overnight Financing Rate), and (ii) 1.00% per annum payable quarterly in arrears.

The Company generated \$3,885,127 in operating cash flows during the three months ended September 30, 2022, after accounting for corporate administration costs of \$1,110,793. The Point Rousse Project generated EBITDA* of \$4,542,586, based on gold sales of 5,615 ounces at an average gold price of C\$2,258 per ounce sold* and operating cash costs of C\$1,447 per ounce sold*. Operating cash flows were also impacted by changes in working capital, namely the decrease in accounts payable and a decrease in unearned revenue.

The Company continued to invest in its key growth projects in Q3 2022, spending \$2,160,711 on exploration and evaluation assets (adjusted for amounts included in trade payables and accruals as of September 30, 2022), with \$1,855,553 relating to the advancement of the Goldboro Gold Project.

Financing activities during the third quarter of 2022 included \$164,720 for the ongoing repayment of loans and lease obligations. Net cash flow provided from financing activities in the comparative period of 2021 included proceeds of \$1,524,000 from the exercise of warrants.

* Refer to Non-IFRS Measures Section below.

Non-IFRS Measures

Signal Gold has included in this press release certain non-IFRS performance measures as detailed below. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Operating Cash Costs per Ounce of Gold - Signal Gold calculates operating cash costs per ounce by

dividing operating expenses per the consolidated statement of operations, net of silver sales by-product revenue, by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, however, excludes depletion and depreciation and rehabilitation costs.

All-In Sustaining Costs per Ounce of Gold - Signal Gold has adopted an all-in sustaining cost performance measure that reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance issued in November 2018. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure will be useful to external users in assessing operating performance and the ability to generate free cash flow from current operations.

The Company defines all-in sustaining costs as the sum of operating cash costs (per above), sustaining capital (capital required to maintain current operations at existing levels), corporate administration costs, sustaining exploration, and rehabilitation accretion and amortization related to current operations. All-in sustaining costs excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to growth projects, financing costs, debt repayments, and taxes. Canadian and US dollars are noted for realized gold price, operating cash costs per ounce of gold and all-in sustaining costs per ounce of gold. Both currencies are considered relevant and the Company uses the average foreign exchange rate for the period.

The operating cash costs per ounce and all-in sustaining costs per ounce are reconciled to the condensed interim consolidated statement of comprehensive loss as follows:

Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Operating expenses per the consolidated statement of comprehensive income, including royalties			
8,102,808	5,455,946	22,382,082	20,336,172
By-product silver sales credit			
(8,425)	(5,947)	(18,663)	(17,972)
By-product aggregates sales credit			
	(78,874)	-	(78,874)
Operating cash costs (\$)			
8,124,473	5,371,125	22,363,419	20,239,326
Sustaining expenditures -			
3,125,997	3,125,994	3,025,233	5,431,463
mill and equipment			

Sustaining expenditures				
- 286,515	647,470	1,032,787	1,984,079	
exploration and evaluation				
Corporate administration costs	905,089	3,682,429	2,697,820	
Share-based compensation	188,094	573,436	616,878	
Rehabilitation				
- accretion and amortization (operating)	4,913	82,461	11,486	
All-in sustaining cash costs ("AISC") (\$)	10,087,254	10,242,685	30,759,765	30,981,052
Gold ounces sold	5,645	2,574	13,204	8,849
Operating cash costs per ounce sold (\$ / ounce)	1,747	2,087	1,694	2,287
AISC per ounce sold (\$ / ounce)	1,796	3,979	2,330	3,501
Average US Dollar exchange rate during period	0.7856	0.7937	0.7794	0.7994
Operating cash costs per ounce sold (US\$ / ounce)	1,368	1,656	1,320	1,828

AISC per ounce sold 375 (US\$ / ounce)	3,158	1,816	2,799
---	-------	-------	-------

Average Realized Gold Price per Ounce Sold - In the gold mining industry, average realized gold price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is gold revenue. The measure is intended to assist readers in evaluating the revenue received in a period from each ounce of gold sold.

Average realized gold price per ounce sold is reconciled to the condensed interim consolidated statements of comprehensive loss as follows:

Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Gold revenue 12,679,227 (\$)	5,770,632	30,351,689	20,058,519
Gold ounce sold 5,645	2,574	13,204	8,849
Average realized gold price per ounce sold 2,258 (\$)	2,242	2,299	2,267
Average US Dollar exchange rate during period 0.7656	0.7937	0.7794	0.7994
Average realized gold price per ounce sold 1,729 (US\$)	1,779	1,792	1,812

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") - EBITDA is earnings before transaction costs, finance expense, current and deferred income tax expense and depletion and depreciation.

Point Rousse Project EBITDA is EBITDA before corporate administration, share-based compensation, deferred premium on flow-through shares, and all other expenses and other income.

The EBITDA and Point Rousse Project EBITDA amounts are reconciled to the condensed interim

consolidated statements of comprehensive loss as follows:

Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Net income (loss), per the consolidated statement of comprehensive income (loss)	(1,168,087)	(1,078,899)	(5,048,563)
Adjustments:			
Finance expense	482,733	32,641	1,146,142
Current income tax expense	-	-	30,345
Deferred income tax expense (recovery)	212,000	617,000	1,029,000
Depletion and depreciation	2,503,612	789,097	6,873,474
EBITDA	3,030,308	359,839	4,000,053
Corporate administration	1,110,793	905,089	3,682,429
Gain on revaluation of investments	(1,020,432)	(326,973)	(1,020,432)
Share of loss from equity accounted investments	8,203	105,890	59,880
Stock-based compensation	224,889	188,094	573,436
Deferred premium on flow-through shares	41,153)	(147,701)	(385,672)
Other income	209,546	(2,594)	348,318
			(19,074)

Point Rousseau Project EBITDA	4,542,586	388,185	7,951,471	(241,359)
--	-----------	---------	-----------	------------

Working Capital - Working capital is a common measure of near-term liquidity and is calculated by deducting current liabilities from current assets.

(In \$)	September 30, 2022	December 31, 2021
Cash and cash equivalents	12,188,696	10,121,724
Investments	6,750,469	5,641,435
Other current assets	764,590	2,080,035
Current assets	19,703,755	17,843,194
Trade and other payables	8,543,310	9,528,294
Current portion of loans	11,077,081	1,363,383
Unearned revenue		5,000,000
Other current liabilities	168,468	554,404
Current liabilities	20,028,859	16,446,081
Working capital (deficit)	(25,104)	1,397,113

ABOUT SIGNAL GOLD

Signal Gold is a TSX and OTCQX-listed gold mining, development, and exploration company, focused in the top-tier Canadian mining jurisdictions of Newfoundland and Nova Scotia. The Company is advancing the Goldboro Gold Project in Nova Scotia, a significant growth project subject to a positive Feasibility Study with Probable Mineral Reserves of 1.15 million ounces of gold (15.80 million tonnes at 2.26 g/t gold), Measured and Indicated Mineral Resources inclusive of Mineral Reserves of 2.58 million ounces (21.6 million tonnes at 3.72 g/t gold) and additional Inferred Mineral Resources of 0.48 million ounces (3.18 million tonnes at 4.73 g/t gold) (Please see the 'NI43-101 Technical Report and Feasibility Study for the Goldboro Gold Project, Eastern Goldfields District, Nova Scotia' on January 11, 2022 for further details). Signal Gold also operates mining and milling operations in the prolific Baie Verte Mining District of Newfoundland which includes the fully permitted Pine Cove Mill, tailings facility and deep-water port, as well as ~15,000 hectares of highly prospective mineral property, including those adjacent to the past producing, high-grade Nugget Pond Mine at its Tilt Cove Gold Project.

FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking information" within the meaning of applicable Canadian and United States securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or

variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Signal Gold to be materially different from those expressed or implied by such forward-looking information, including risks associated with the exploration, development and mining such as economic factors as they effect exploration, future commodity prices, changes in foreign exchange and interest rates, actual results of current production, development and exploration activities, government regulation, political or economic developments, environmental risks, permitting timelines, capital expenditures, operating or technical difficulties in connection with development activities, employee relations, the speculative nature of gold exploration and development, including the risks of diminishing quantities of grades of resources, contests over title to properties, and changes in project parameters as plans continue to be refined as well as those risk factors discussed in Signal Gold's annual information form for the year ended December 31, 2021, available on www.sedar.com. Although Signal Gold has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Signal Gold does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

FOR ADDITIONAL INFORMATION CONTACT:

Signal Gold Inc.	Reseau ProMarket Inc.
Kevin Bullock	Dany Cenac Robert
President and CEO	Investor Relations
(647) 388-1842	(514) 722-2276 x456
kbullock@signalgold.com	Dany.Cenac-Robert@ReseauProMarket.com

SOURCE: [Signal Gold Inc.](#)

View source version on accesswire.com:

<https://www.accesswire.com/723220/Signal-Gold-Announces-Q3-2022-Financial-Results>

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/426982--Signal-Gold-Announces-Q3-2022-Financial-Results.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).