

Signal Gold Announces Bridge Financing of Up to US\$21.0 Million with Nebari Resources to Advance the Goldboro Project

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TORONTO, February 16, 2023 - [Signal Gold Inc.](#) ("Signal Gold" or the "Company") (TSX:SGNL)(OTCQX:SGNLF) is pleased to announce that it has entered into a credit agreement with Nebari Gold Fund 1 LP, Nebari Natural Resources Credit Fund I LP, and Nebari Natural Resources Credit Fund II LP (each as Lender and collectively, "Nebari"), with Nebari Collateral Agent, LLC as administration and collateral agent, and certain material Signal Gold subsidiaries as guarantors, for a credit facility of up to US\$21.0 million (the "Credit Facility"). The Credit Facility provides for an initial draw of US\$16.0 million ("Tranche 1") and a second tranche of US\$5.0 million ("Tranche 2"), at the election of the Company, subject to satisfaction of certain conditions precedent.

Highlights of the Credit Facility:

- Upon closing, Signal Gold shall immediately draw US\$16.0 million (approximately C\$21.3 million) from the non-dilutive Nebari Credit Facility, which will be used to progress critical pre-development activities for the Goldboro Project and the repayment of the existing US\$8.0 million senior secured facility with Auramet Internal LLC.
- Key activities include detailed engineering to support industrial approval permits, an updated Feasibility Study to include an updated mineral resource estimate and capital and operating costs, and advanced geotechnical work to de-risk the construction phase of the Project.
- The credit facility has a maturity date of two years from the initial draw with the option to extend up to another 12 months and is expected to be repaid from the proceeds of a project finance facility for Goldboro which the Company is targeting to occur later in 2023.
- At Signal Gold's election and subject to satisfaction of certain conditions precedent, the Company can draw a further tranche of US\$5.0 million.

"Signal Gold is extremely pleased to be working with Nebari for the advancement of the high-grade Goldboro Project in Nova Scotia. Given the lack of liquidity in the equity markets and the importance of key pre-development activities required to continue to advance the Project, the Company has partnered with Nebari to progress Goldboro in what it believes to be the most non-dilutive manner to our shareholders. This funding ensures we are able to execute on key optimization and de-risking activities at Goldboro, which includes an updated feasibility study, detailed engineering and further geotechnical work. The structure of the credit facility provides flexibility to Signal Gold while we work through a robust project financing process and an opportunity to work with the strong technical and financial team at Nebari."

~Kevin Bullock, President and CEO, [Signal Gold Inc.](#)

"Nebari is extremely excited to partner with Signal Gold as they advance the Goldboro Project. We are impressed with the experience and professionalism of the Signal and Goldboro teams and have the utmost confidence in their ability to continue to unlock value at Goldboro and beyond."

~Steven Bowles, Managing Partner, Nebari

The Credit Facility

The Credit Facility is comprised of a senior secured loan for a funded amount of up to US\$21.0 million in two tranches, with Tranche 1 of US\$16.0 million to be drawn on closing and Tranche 2 of US\$5.0 million to be drawn at the Company's option, subject to satisfaction of certain conditions precedent. The Credit Facility has a maturity date of two years from the initial draw of the first tranche and the Company shall have the option to extend the term by up to two six-month periods. This provides the Company the ability to advance critical pre-development activities at Goldboro and the flexibility to work through a robust project financing

process. The Credit Facility does not give Nebari any pre-emptive rights on participating in the project finance, for which a separate competitive process has commenced.

The Credit Facility bears an annual coupon of a minimum of the greater of (i) SOFR and (ii) 3.0%, plus a margin of 6.7%. Interest accruing prior to March 31, 2024 shall be capitalized and added to the outstanding principal amount. The Credit Facility also has an original issue discount of 5.0% for the first 24 months for each tranche drawn under the Credit Facility, 6.25% for the period between 25-30 months (inclusive) of each draw, and 7.825% for the period between 30-36 months (inclusive) of each draw.

Signal Gold will also grant 15,413,508 share purchase warrants ("Warrants") to Nebari for the initial draw of US\$16.0 million, with each Warrant exercisable to purchase a common share of the Company at a strike price of C\$0.44 per share. Should the Company elect to draw Tranche 2 of \$5.0 million, the Company shall grant Nebari additional Warrants equal to US\$1,562,000 divided by the strike price equal to a 33.3% premium to the 10-day VWAP of the Company's share price on the date which is five (5) Business Days prior to the date of the drawdown notice for the second tranche. Each Warrant granted shall entitle the holder to acquire one common share of the Company upon exercise thereof and payment of the exercise price for a period of three (3) years from the date of issuance. Each Warrant shall also be subject to an acceleration provision, whereby the Company shall have the option to require Nebari to exercise up to 12.5% of its Warrants if, for a period of 30 consecutive trading days, the VWAP (as measured on the close of trading on each day of such 30-day period) equals or exceeds a 50% premium above the applicable Warrant strike price.

The financing will be secured by a pledge of shares in favour of Nebari on the Company's material Subsidiaries, namely Goldboro Gold Mines Inc. and Point Rousse Mining Inc., together with security on substantially all of the Company's material real and personal property.

The closing of the financing is subject to certain conditions and is expected to be completed on or about February 28, 2023. The financing is subject to the final approval of the Toronto Stock Exchange and any securities issued thereunder will be subject to certain resale restrictions in accordance with applicable laws.

ABOUT NEBARI

Nebari is a United States-based manager of privately offered pooled investment vehicles including Nebari Gold Fund 1, LP, and Nebari Natural Resources Credit Fund I, LP, and Nebari Natural Resources Credit Fund II, LP, which are funding the loan to Signal Gold and the Goldboro Project. The Nebari leadership team has deep experience with leading global mining companies and financial institutions. Nebari is known for partnering with motivated and capable management teams focused on achieving clear plan targets.

ABOUT SIGNAL GOLD

Signal Gold is advancing the Goldboro Gold Project in Nova Scotia, a significant growth project subject to a positive Feasibility Study which demonstrates an approximately 11-year open pit life of mine ("LOM") with average gold production of 100,000 ounces per annum and an average diluted grade of 2.26 grams per tonne gold. (Please see the 'NI 43-101 Technical Report and Feasibility Study for the Goldboro Gold Project, Eastern Goldfields District, Nova Scotia' on January 11, 2022, for further details). On August 3, 2022, the Goldboro Project received its environmental assessment approval from the Nova Scotia Minister of Environment and Climate Change, a significant regulatory milestone which enables the Company to commence site-specific permitting processes including the Industrial Approval and Crown Land Lease and Mining Lease applications. The Goldboro Project also has potential for further Mineral Resource expansion, particularly towards the west along strike and at depth. A future study will consider upgrading and expanding potentially mineable underground Mineral Resources as part of the longer-term mine development plan.

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.

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