

Signal Gold Announces 2023 Second Quarter Results

31.07.2023 | [ACCESS Newswire](#)

TORONTO, July 31, 2023 - [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 six months ended June 30, 2023 ("Q2 2023"). The condensed interim consolidated financial statements and management discussion and analysis documents can be found at www.sedarplus.com and the Company's website, www.signalgold.com. All dollar amounts are in Canadian dollars unless otherwise noted.

Highlights for the Period Ended June 30, 2023

- Signal Gold completed a non-brokered private placement for aggregate gross proceeds of \$6,688,800, which will be used to advance exploration and development activities at the Goldboro Project and for working capital and general corporate purposes.
- Signal Gold invested \$6,469,741 in its exploration and development projects in Q2 2023, of which \$6,389,269 was invested in the Goldboro Project relating to growth exploration drilling, the progression of key development permits and detailed engineering, and geotechnical work.
- The Company executed a Share Purchase Agreement with [Maritime Resources Corp.](#) for the sale of the Company's Point Rouse Project for \$3,000,000 in cash, approximately \$1,000,000 in common Shares of Maritime, and the assumption of the related reclamation liabilities of Point Rouse.
- In Q2 2023, the Company mobilized a second diamond drill at Goldboro to accelerate a 10,000-metre growth exploration drill program, in addition to the initial program announced in March 2023, for a total of 12,000 metres, the Company's largest ever growth exploration program to test the expansion potential west of the Goldboro Deposit toward the past producing Dolliver Mountain Mine.
- The Company also extended its Induced Polarization geophysical survey ("IP Survey") at the Goldboro Project a further 14-line kilometres west from the previous survey conducted in 2022, which demonstrated a chargeability response coincident with the Goldboro Mineral Resource.
- During Q2 2023, the Company generated \$1,801,471 of gold sales revenue resulting from the clean-out of the Pine Cove mill and surrounding area.
- Net loss for the three months ended June 30, 2023 was \$4,571,098, or \$0.02 per share, compared to a loss of \$330,902, or \$0.00 per share, for the three months ended June 30, 2022, reflecting the impact of the impairment of Point Rouse carrying value upon being classified as held for sale. The net loss for the six months ended June 30, 2023 was \$7,365,936 compared to \$3,880,526 for the six months ended June 30, 2022.
- As of June 30, 2023, the Company had a cash balance of \$13,764,727 million and working capital* of \$13,673,297.

*Refer to Non-IFRS Measures section below.

"For the remainder of 2023, Signal Gold will be focused on demonstrating the potential scale of the Goldboro Deposit and greater Goldboro District and optimizing the operating parameters of the Goldboro Project, given the challenging capital markets and inflationary environment for gold development companies. We are focused on advancing all key permits for the Project, including the submission of the Mineral Lease, Industrial Approval and Fisheries Act Authorization Applications in the third quarter of 2023. We are also executing the Company's largest ever growth exploration program of 12,000 metres, targeting mineral resource growth to the west of the Goldboro Deposit and towards the past producing Dolliver Mountain Gold Mine. We are especially excited to review the potential of our greatly expanded exploration land position at Goldboro for further mineral resource growth, which now encompasses a 28-kilometre strike length along the Upper Seal Harbour Anticline, which includes the Goldboro Deposit, and a 23-kilometre strike length along the Lower Seal Harbour Anticline."

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

Consolidated Results Summary

As a result of the SPA with Maritime for the Point Rousse Project, the assets and liabilities of Point Rousse have been presented as held for sale in the consolidated statement of financial position as of June 30, 2023, and the related operating results and cash flows have been presented as discontinued operations in the consolidated statements of earnings (loss) and cash flows for the three and six months ended June 30, 2023.

Three months ended	Three months ended	Six months ended	Six months ended
June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Financial Results (\$)			
Corporate administration costs	1,312,727	2,890,401	2,571,636
Depreciation	23,895	135,531	46,340
Share-based compensation expense	206,455	453,304	348,547
Finance expense	546,015	1,826,633	657,139
Gain on revaluation of investments	-	-	(326,973)
Loss on equity accounted for investments	15,034	18,472	51,677
Other income	(209,608)	(148,701)	(398,624)
Loss before tax	1,955,425	4,925,717	3,159,816
Deferred income tax expense	-	2,065,000	-
Loss from continuing operations	1,955,425	6,990,717	3,159,816
Loss (earnings) from discontinued operations	(1,624,523)	375,219	720,710
Net loss and comprehensive loss (\$)	330,902	7,365,936	3,880,526
Financial Position (\$)			
June 30, 2023	December 31, 2022		

Cash and cash equivalents	13,764,727	9,251,062
Working capital (deficit)*	10,173,297	(4,556,223)
Total assets	103,344,050	93,852,657
Non-current liabilities	24,850,532	8,128,779

*Refer to Non-IFRS Measures below.

Review of the Three Months Ended June 30, 2023

The net loss from discontinued operations in Q2 2023, which reflects the Point Rousse Project (which has been classified now as held for sale) was \$473,429, compared to net earnings of \$1,624,523 in Q2 2022. The net loss for Q2 2023 reflects the impairment charge of \$2,075,072 recognized upon the transfer to assets and liabilities of the Point Rousse Project to held for sale, which was partially offset by revenue of \$1,801,471, which relates to the clean-up of the Pine Cove Mill. The Point Rousse Project was placed in care and maintenance in March of 2023, and therefore metals revenue and operating costs were significantly higher in Q2 2022 when Point Rousse was mining the Argyle Deposit. Similarly, depreciation and depletion expenses in Q2 2023 were \$27,637, compared to \$2,115,258 in Q2 2022. Care and maintenance costs in Q2 2023, relating primarily to personnel, hydro, and general maintenance, were \$483,836.

Corporate administration costs were \$1,469,667 in the second quarter of 2023 compared to \$1,312,727 in Q2 2022, reflecting legal costs attributable to the SPA for Point Rousse, salary adjustments, and certain marketing expenses related to the non-brokered private placement. Depreciation expense of \$73,445 in Q2 2023 reflects the amortization of the Company's corporate office space.

Share-based compensation expense for the quarter was \$297,619 compared to \$206,455 in Q2 2022, the result of an increase in grants of stock options and share units which occurred in Q1 2023.

Finance expense for the quarter was \$1,095,663 compared to \$546,015 for the three months ended June 30, 2022. Finance expenses in the most recent quarter relate to interest and the recognition of deferred financing fees associated with the Nebari Credit Facility, which was drawn in the first quarter of 2023. Other income for the second quarter of 2023 was \$209,608 compared to \$148,701 in Q2 2022, which includes interest income of \$77,761 and a recovery of \$96,425 as a deferred premium on flow-through shares, a portion of which represented the remaining qualifying exploration expenditures that were spent from the June 2022 flow-through financing.

Net comprehensive loss for the three months ended June 30, 2023, was \$4,571,098, or \$0.02 per share, compared to a net comprehensive loss \$330,902, or \$0.00 per share, for the corresponding period of 2022. The increase in net loss was predominantly related to the impairment of Point Rousse upon being classified as held for sale, in addition to higher finance expenses related to the Nebari credit facility and the extinguishment of the Auramet promissory note.

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.

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

(In \$)	June 30, 2023	December 31, 2022
Cash and cash equivalents	13,764,727	9,251,062
Inventory		4,427,589
Other current assets	1,750,703	1,231,394
Assets held for sale	10,537,757	-
Current assets	26,053,187	14,910,045
Trade and other payables	4,533,776	7,453,994
Current portion of loans	489,566	11,235,775
Other current liabilities	381,546	776,499
Liabilities held for sale	6,975,002	-
Current liabilities	12,379,890	19,466,268
Working capital (deficit)*	13,673,297	(4,556,223)

ABOUT SIGNAL GOLD

Signal Gold is a TSX and OTCQX-listed gold development and exploration company, advancing the wholly owned Goldboro Project in the Canadian mining jurisdiction of Nova Scotia, a significant growth project subject to a positive Feasibility Study and which has potential for further Mineral Resource expansion, particularly towards the west along strike and at depth (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). The Company also owns mining and milling assets 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 approximately 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, 2022, available on www.sedarplus.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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