

Signal Gold Announces 2024 First Quarter Results

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TORONTO, May 2, 2024 - [Signal Gold Inc.](#) ("[Signal Gold](#)" or the "Company") (TSX:SGNL)(OTCQX:SGNLF) is pleased to report its business and financial results for the three months ended March 31, 2024 ("Q1 2024"). 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.

"Despite ongoing challenging capital markets for junior mining companies, [Signal Gold](#) has made strong progress at the Goldboro Project during the first quarter of 2024. We remain focused on value creation through exciting exploration initiatives to generate new discoveries and increased mineral resources in the Goldboro Gold District, especially at the western extension of the Goldboro Deposit where we recently commenced a 5,000-metre drill program. The Company also continues to advance key Project permits, with consultations with respect to the Fisheries Act Authorization and Schedule 2 Amendment having commenced during the quarter. In parallel, we continue to evaluate potential strategic alternatives to advance the Goldboro Project, with BMO Capital Markets acting as financial advisor, as well actively considering options with respect to the credit facility with Nebari. The Company remains committed to advancing the Goldboro Project to become the next fully permitted, construction ready, gold project in Canada."

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

Highlights for the Period Ended March 31, 2024

- Invested \$1,033,999 in the Goldboro Project relating to the advancement of project permits, growth exploration, and data compilation to support regional exploration.
- Progressed permitting through various monitoring plans and addressing regulator feedback on the Fisheries Act Authorization and Industrial Approval application. The Company entered the Duty to Consult phase for the Fisheries Act Authorization and Schedule 2 Amendment of the Metal and Diamond Mining Effluent Regulations.
- Announced the final drill results from its largest ever exploration drill program, conclusively demonstrating continuity of gold mineralization along strike between the western end of the Goldboro Deposit and the historic Dolliver Mountain Gold Mine, bringing the total strike length of known gold mineralization to 3.4 kilometres.
- Further consolidated the Goldboro Gold District, increasing its exploration licence area to over 27,200 hectares (~272 km²) surrounding the Goldboro Project, and commenced a 1,250-line kilometre airborne magnetic and VLF electromagnetic survey over land immediately north of, and contiguous with, the Goldboro Deposit.
- Initiated a 5,000-metre drill program on the western extension of the Goldboro Deposit to follow-up on the 2023 discovery of near-surface, high-grade gold mineralization, as initial geological modelling of drill results indicates the potential to delineate additional open-pit Mineral Resources.
- Recorded a net comprehensive loss from continuing operations for the three months ended March 31, 2024 of \$2,495,248, or \$0.01 per share, compared to a loss of \$2,893,048, or \$0.01 per share, for the three months ended March 31, 2023, resulting from lower corporate administration expense, a gain on the revaluation of investments, and a higher deferred income tax recovery, partially offset by an increase in finance expense and share-based compensation.
- Ended the first quarter of 2024 with a cash balance of \$8,059,518 and working capital deficit* of \$17,150,515, which reflects the reclassification of the Credit Facility (defined below) to current liabilities.

* 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.

Management Outlook for 2024

[Signal Gold](#) remains committed to advancing the Goldboro Project to become the next fully permitted, construction ready, gold project in Canada. The Company's near-term priorities will focus on the creation of value through exploration initiatives to generate new discoveries on our expanded exploration land package in the Goldboro Gold District, by demonstrating the potential for additional mineable resources along strike to the existing Goldboro Deposit, and by working to obtain all remaining key Project permits within the next 12 months.

To support these goals, [Signal Gold](#) initiated a process to evaluate potential strategic alternatives to advance the Goldboro Project, with BMO Capital Markets acting as its financial advisor. The Company recognizes that a larger, better capitalized, or cash flow generating company could be better positioned to advance or assist in the advancement of Goldboro over the development timeline. As part of this strategic process, the Company is also actively considering its options with respect to the existing senior secured credit facility with Nebari, which was entered into in February 2023 and under which the Company made an initial draw of US\$16,000,000 (the "Credit Facility"). The Credit Facility was amended in November 2023 to extend the interest capitalization period by six months to September 30, 2024.

Consolidated Results Summary**

| Financial Position (\$) | March 31, 2024 | December 31, 2023 |
|--|--------------------|--------------------|
| Cash and cash equivalents | 8,059,518 | 9,851,672 |
| Working capital (deficit)* | (17,150,515) | (4,556,223) |
| Total assets | 94,278,924 | 95,331,016 |
| Non-current liabilities | 5,437,147 | 27,980,457 |
| | Three months ended | Three months ended |
| Financial Results (\$) | March 31, 2024 | March 31, 2023 |
| Corporate administration costs | 886,241 | 1,420,734 |
| Share-based compensation expense | 389,022 | 155,685 |
| Finance expense | 1,206,519 | 730,970 |
| Depreciation | 64,050 | 62,086 |
| Gain on revaluation of investments | (239,702) | - |
| Loss on equity accounted for investments | 26,448 | 7,589 |
| Other expense (income) | 256,670 | (189,016) |

| | | |
|--|-----------|-----------|
| Loss before tax from continuing operations | 2,589,248 | 2,188,048 |
| Deferred income tax (recovery) expense | (94,000 |) 705,000 |
| Loss from continuing operations | 2,495,248 | 2,893,048 |
| Earnings from discontinued operations | - | (98,210 |
| Net loss and comprehensive loss (\$) | |) |
| | 2,495,248 | 2,794,838 |
| Net loss per share - basic | | |
| | 0.01 | 0.01 |
| - From continuing operations | 0.01 | 0.01 |
| - From discontinued operations | 0.00 | 0.00 |
| Net loss per share - fully diluted | | |
| | 0.01 | 0.01 |
| - From continuing operations | 0.01 | 0.01 |
| - From discontinued operations | 0.00 | 0.00 |

*Refer to Non-IFRS Measures section below.

**The assets and liabilities of Point Rousse were derecognized from the statement of financial position upon completion of the sale in the August 2023, and the related operating results and cash flows have been presented as discontinued operations in the consolidated statements of loss and cash flows for the three months ended March 31, 2023.

Review of the Three Months Ended March 31, 2024

Corporate administration costs in Q1 2024 were \$886,241 compared to \$1,420,734 in the comparative period of 2023, reflecting the significant reduction in costs implemented by the Company and the sale of the Point Rousse Project in Q3 2023. During the first quarter, the Company focused on marketing and communications, the initiation of a strategic process with a financial advisor, further consolidation of the Goldboro Gold District, and Project permitting. The depreciation charge of \$64,050 during Q1 2024 reflects the amortization of the Company's corporate office space.

Finance expense during Q1 2024 was \$1,206,519 compared to \$730,970 for the first quarter of 2023, primarily due to interest and deferred financing fees associated related to the Credit Facility, which was drawn in February of 2023.

In Q1 2024, the Company recognized a gain on the revaluation of investments of \$239,702 relating to its

position in [Maritime Resources Corp.](#), which was acquired through the sale of the Point Rousse Project in August of 2023. The Company's also reflected a loss on its equity investment in [Magna Terra Minerals Inc.](#) of \$26,448.

Other expense in Q1 2024 was \$256,670, compared to other income of \$189,016 in the comparative period of 2023, reflecting a foreign exchange loss of \$549,740 relating to the valuation of the Credit Facility (which is denominated in US dollars) and the revaluation of US denominated cash balances, which was partially offset by higher interest income.

Net comprehensive loss from continuing operations for Q1 2024 was \$2,495,248, or \$0.01 per share, compared to \$2,893,048, or \$0.01 per share, for the corresponding period of 2023. The decrease in net loss was predominantly related to lower corporate administration costs due to cost reduction initiatives and lower overhead as the Company focuses exclusively on Goldboro after the sale of Point Rousse, which were partially offset by the increase in finance expense.

Financial Position and Cash Flow Analysis

As of March 31, 2024, the Company had a working capital deficit of \$17,150,515, which includes a cash balance of \$8,059,518 and reflects the reclassification of the Credit Facility from non-current to current liabilities, which matures in February 2025.

| | |
|---|----------------|
| (In \$) | March 31, 2024 |
| Cash and cash equivalents | 8,059,518 |
| Other current assets | 877,892 |
| Current assets | 8,937,410 |
| Trade and other payables | 771,925 |
| Current portion of loans and other current liabilities | 24,816,000 |
| Current liabilities | 25,587,925 |
| Working capital deficit* | (17,150,515) |

*Refer to Non-IFRS Measures section below.

The Company's cash flow used in operating activities from continuing operations was \$673,497 during the first quarter of 2024, relating predominantly to corporate administration costs and changes to working capital, partially offset by interest income.

The Company invested \$1,033,999 during the first quarter at the Goldboro Project, predominantly relating to the advancement of project permits, growth exploration, compilation work to support regional exploration, and soil and geophysical programs over its recently expanded land position in the Goldboro Gold District.

Financing activities in Q1 2024 relate to rental payments for corporate office space and the repayment of an insurance premium loan.

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.

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 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, and the Company has now submitted all key permits including the Industrial Approval, Fisheries Act Authorization and Schedule 2 Amendment, and the Mining and Crown Land Leases. The Goldboro Project has significant potential for further Mineral Resource expansion, particularly towards the west along strike and at depth, and the Company has consolidated 27,200 hectares (~272 km²) of prospective exploration land in the Goldboro Gold District.

FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking information" and "forward-looking statements" about Signal Gold Inc. under Canadian securities legislation. Except for statements of historical fact relating to the Company, forward-looking information is characterized by words such as "plan", "expect", "budget", "target", "schedule", "estimate", "forecast", "project", "intend", "believe", "anticipate" and other similar words or statements that certain events or conditions "may", "could", "would", "might", or "will" occur or be achieved. Forward-looking information includes, but is not limited to, information with respect to: the Company's ability to raise additional funds; the future price of minerals, particularly gold; the estimation of Mineral Reserves and Mineral Resources; conclusions of economic evaluations; the realization of Mineral Reserve estimates; the timing and amount of estimated future production; the estimated future costs of production; estimated capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental and climate change risks. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying Mineral Reserve and Mineral Resource estimates and the realization of such estimates. The estimate of Mineral Reserves and Mineral Resources and capital and operating costs are based on extensive research of the Company and its third-party consultants. Recent estimates of construction and mining costs, and other factors. Forward-looking information is based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include: the fluctuating price of mineral commodities; the requirement for additional funding for development and exploration; volatility in the market price of the Company's securities; success of exploration, development and permitting activities; the ability of the Company to obtain required licences and permits; risks relating to government regulation and taxation; the Company's relationships with stakeholders; risks relating to title and Indigenous consultation; health, safety and environmental risks and hazards; reclamation estimates and obligations; capital and operating cost estimates; currency exchange rates; uncertainty in the estimation of Mineral Reserves and Mineral Resources; the potential of production and

cost overruns; risks relating to climate change; limitations on insurance coverage; the prevalence of competition within the mining industry; risks related to the dilution of the Company's securities; risks relating to potential litigation; obligations as a public company; risks related to potential title disputes; risks related to obtaining surface rights; potential conflicts of interests; and cyber-security risks.

FOR ADDITIONAL INFORMATION CONTACT:

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