

# NexGold and Signal Gold Announce Oversubscription and Upsizing of Concurrent Financing up to a Total of \$17 million

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TORONTO, Oct. 23, 2024 - [NeXGold Mining Corp.](#) (TSXV: NEXG; OTCQX: NXGCF) ("NexGold") and [Signal Gold Inc.](#) (TSX: SGNL; OTCQB: SGNLF) ("Signal") are pleased to announce that, due to significant demand, its previously announced Concurrent Financing (as defined below) has been oversubscribed and the companies are increasing the aggregate financing size to up to C\$17 million, subject to an option to further increase the Hard Dollar Financing (as defined below) by an additional 15%.

The Concurrent Financing is being carried out in connection with the proposed plan of arrangement, pursuant to which NexGold will acquire all of the shares of Signal to create a near-term gold developer, advancing NexGold's Goliath Gold Complex Project ("Goliath Project") in Northern Ontario and Signal's Goldboro Gold Project ("Goldboro Project") in the historic Goldboro Gold District in Nova Scotia (the "Transaction").

In addition to the exercise of their respective options to increase the size of the Concurrent Financing, the parties announce that the previously announced private placement of units ("NFT Units") at a price of C\$0.08705 per NFT Unit, comprised of one common share in the capital of Signal (a "Signal Share") and one-half of one share purchase warrant (each whole warrant, an "NFT Unit Warrant"), has been amended to a subscription receipt financing.

Pursuant to the revised financing structure, Signal will now offer up to 103,388,857 subscription receipts (the "Signal Subscription Receipts") at a price of \$0.08705 per Signal Subscription Receipt for gross proceeds of up to \$9 million (the "Hard Dollar Financing"), with an option (the "Option") to offer up to an additional 15,508,328 Signal Subscription Receipts for additional gross proceeds of up to \$1,350,000. The Signal Subscription Receipts will be issued by Signal and will automatically convert into NFT Units, upon satisfaction or waiver of certain release conditions (including the satisfaction of all conditions precedent to the completion of the Transaction, other than those conditions that can only be satisfied at the effective time of the transaction, including, but not limited to, the issuance of the consideration shares to shareholders of Signal) (the "Escrow Release Conditions"). Each NFT Unit Warrant will entitle the holder thereof to purchase one Signal Share at a price of \$0.11818 for a period of 24 months following the issue date of the NFT Unit Warrant, subject to customary adjustments in accordance with the terms of the warrant certificates.

Each Signal Share issued on conversion of the Signal Subscription Receipts will then be exchanged for 0.1244 (the "Exchange Ratio") of a common share of NexGold (each whole share a "NexGold Share") pursuant to the terms of the Transaction. Further, NFT Unit Warrants issued on conversion of the Signal Subscription Receipts will be adjusted in accordance with their terms such that the NFT Unit Warrants will be exercisable to acquire NexGold Shares based on the Exchange Ratio.

The terms of the flow-through offering of NexGold will remain unchanged from what was previously announced other than the increase in the amount of the offering. NexGold will now offer up to 10,000,000 units ("FT Units") at a price of C\$0.80 per FT Unit, with each FT Unit comprised of one flow-through common share and one-half of one warrant, for aggregate gross proceeds of up to \$8 million (the "FT Financing" and together with the Hard Dollar Financing, the "Concurrent Financing").

The net proceeds of the Hard Dollar Financing are expected to be used by the combined company to fund the retirement of certain debt, the exploration and advancement of the Goliath Project and Goldboro Project and for working capital and general corporate purposes. An amount equal to the gross proceeds from the issuances of the FT Shares will be used to fund advancement of NexGold's projects (which would include Signal's projects assuming closing of the Transaction). NexGold will, in a timely and prescribed manner and form, incur expenses which will: (i) constitute "Canadian exploration expenses", and (ii) constitute

"flow-through mining expenditures", (as all such terms are defined in the *Income Tax Act* (Canada)), in an amount equal to the gross amount raised pursuant to the sale of FT Shares. NexGold will, in a timely and prescribed manner and form, renounce the Canadian exploration expenses (on a *pro rata* basis) to each subscriber with an effective date of no later than December 31, 2024, in accordance with the *Income Tax Act* (Canada), as applicable, all in accordance with the terms of the subscription and renunciation agreements to be entered into by NexGold and the subscribers in the FT Financing.

It is anticipated that the Hard Dollar Financing and the FT Financing will close concurrently in early November 2024.

Completion of the Concurrent Financing is subject to, as applicable, Toronto Stock Exchange, TSX Venture Exchange and other necessary regulatory approvals. The conversion of the Signal Subscription Receipts to NFT Units is subject to the escrow release conditions, including requisite shareholder approval of the Hard Dollar Financing by Signal shareholders.

In connection with the Concurrent Financing, it is anticipated that each of Signal and NexGold will, at the time of conversion of the Signal Subscription Receipts, pay finder's compensation to certain eligible finders to be comprised of: (i) a cash payment of up to 6.0% of the gross proceeds raised from sales of Signal Subscription Receipts and FT Units to subscribers introduced by such finders; and (ii) such number of non-transferable finder's warrants ("Finder's Warrants") as is equal to an amount not to exceed 6.0% of the number of Signal Subscription Receipts and FT Units sold to subscribers introduced by such finders to Signal and NexGold, as applicable. The Finder's Warrants will be economically equivalent to the NFT Unit Warrants such that following closing of the Transaction, each Finder's Warrant will be exercisable to acquire one NexGold Share at a price of \$0.95 per share for a period of 24 months.

Except as described herein, the other terms of the Concurrent Financing, including the proposed use of proceeds from each financing, remain the same as disclosed in the companies' joint news release dated October 10, 2024. Please refer to the October 10, 2024 news release for additional details regarding the Transaction, Concurrent Financing and proposed debt restructuring to be carried out in connection with the Transaction.

For more information about NexGold and Signal, please refer to each company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### About NexGold Mining Corp.

NexGold Mining Corp. is a gold-focused company with assets in Canada and Alaska. NexGold's Goliath Project (which includes the Goliath, Goldlund and Miller deposits) is located in Northwestern Ontario. The deposits benefit substantially from excellent access to the Trans-Canada Highway, related power and rail infrastructure and close proximity to several communities including Dryden, Ontario. For information on the Goliath Project, refer to the technical report, prepared in accordance with NI 43-101, entitled 'Goliath Gold Complex - NI 43-101 Technical Report and Prefeasibility Study' and dated March 27, 2023, with an effective date of February 22, 2023, led by independent consultants Ausenco Engineering Canada Inc. The technical report is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), on the OTCQX at [www.otcm Markets.com](http://www.otcm Markets.com) and on NexGold's website at [www.nexgold.com](http://www.nexgold.com).

NexGold also owns several other projects throughout Canada, including the Weebigee-Sandy Lake Gold Project JV, and grassroots gold exploration property Gold Rock. In addition, NexGold holds a 100% interest in the high-grade Niblack copper-gold-zinc-silver VMS project, located adjacent to tidewater in southeast Alaska. NexGold is committed to inclusive, informed and meaningful dialogue with regional communities and Indigenous Nations throughout the life of all our Projects and on all aspects, including creating sustainable economic opportunities, providing safe workplaces, enhancing of social value, and promoting community well-being. Further details about NexGold are available on NexGold's website at [www.nexgold.com](http://www.nexgold.com).

#### About Signal Gold Inc.

Signal 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. For further details, refer to the technical report entitled 'NI 43-101 Technical Report and Feasibility Study for the Goldboro Gold Project, Eastern Goldfields District, Nova Scotia' dated January 11, 2022, with an effective date of December 16, 2021. The technical report is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), on the OTCQX at [www.otcm Markets.com](http://www.otcm Markets.com) and on Signal's website at [www.signalgold.com](http://www.signalgold.com). 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 Signal 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 Signal has consolidated 28,525 hectares (~285 km<sup>2</sup>) of prospective exploration land in the Goldboro Gold District. For more information on Signal, please visit Signal's website at [www.signalgold.com](http://www.signalgold.com).

#### Technical Disclosure and Qualified Persons

Adam Larsen, B.Sc., P. Geo., Director of Exploration of NexGold, is a "qualified person" within the meaning of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") and has reviewed and approved the scientific and technical information in this news release regarding the Goliath Project on behalf of NexGold.

Kevin Bullock, P. Eng., President, CEO and Director of Signal, is a "qualified person" within the meaning of NI 43-101 and has reviewed and approved the scientific and technical information in this news release regarding the Goldboro Project on behalf of Signal.

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#### Cautionary Note Regarding Forward-Looking Information

*Certain information set forth in this news release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities legislation and applicable United States securities laws (referred to herein as forward-looking statements). Except for statements of historical fact, certain information contained herein constitutes forward-looking statements which includes, but is not limited to, statements with respect to: completion of the proposed Transaction, including receipt of all necessary court, shareholder and regulatory approvals, and the timing thereof; information concerning the anticipated sale and distribution of Signal Subscription Receipts and FT Units pursuant to the Concurrent Financing; the combined company's intended use of the net proceeds from the Concurrent Financing; the ability to satisfy the escrow release conditions; and the anticipated benefits and impacts of the Concurrent Financing.*

*Forward-looking statements are often identified by the use of words such as "may", "will", "could", "would", "anticipate", "believe", "expect", "intend", "potential", "estimate", "budget", "scheduled", "plans", "planned", "forecasts", "goals" and similar expressions. Forward-looking statements are based on a number of factors and assumptions made by management and considered reasonable at the time such information is provided. Assumptions and factors include: the successful completion of the Transaction (including receipt of all regulatory approvals, shareholder and third-party consents), the Concurrent Financing (including receipt of all regulatory and shareholder approvals), the debt restructuring (including if the parties are able to reach definitive agreements); the ability of the combined company to complete its planned exploration programs;*

*the absence of adverse conditions at mineral properties; and the price of gold remaining at levels that render mineral properties economic.. Forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: risks related to the Transaction, including, but not limited to, the ability to obtain necessary approvals in respect of the Transaction and to consummate the Transaction, the Concurrent Financing and the debt restructuring; general business, economic and competitive uncertainties; delays in obtaining governmental approvals or financing; and management's ability to anticipate and manage the foregoing factors and risks. Although the companies have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Readers are advised to study and consider risk factors disclosed in NexGold's and Signal's annual information forms for the year ended December 31, 2023, available on [www.sedarplus.ca](http://www.sedarplus.ca).*

*There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The companies undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The forward-looking statements contained herein are presented for the purposes of assisting investors in understanding the companies' plans, objectives and goals, including with respect to the Transaction, and may not be appropriate for other purposes. Forward-looking statements are not guarantees of future performance and the reader is cautioned not to place undue reliance on forward-looking statements. This news release also contains or references certain market, industry and peer group data, which is based upon information from independent industry publications, market research, analyst reports, surveys, continuous disclosure filings and other publicly available sources. Although NexGold and Signal believe these sources to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties. NexGold and Signal have not independently verified any of the data from third party sources referred to in this news release and accordingly, the accuracy and completeness of such data is not guaranteed.*

#### *Cautionary Statement regarding Mineral Resource Estimates*

*Until mineral deposits are actually mined and processed, Mineral Resources must be considered as estimates only. The estimation of Mineral Resources is inherently uncertain, involves subjective judgement about many relevant factors and may be materially affected by, among other things, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant risks, uncertainties, contingencies and other factors described in the NexGold's and Signal's public disclosure available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). The quantity and grade of reported "Inferred" Mineral Resource estimates are uncertain in nature and there has been insufficient exploration to define "Inferred" Mineral Resource estimates as an "Indicated" or "Measured" Mineral Resource and it is uncertain if further exploration will result in upgrading "Inferred" Mineral Resource estimates to an "Indicated" or "Measured" Mineral Resource category. The accuracy of any Mineral Resource estimate is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in mineral prices; (ii) results of drilling, and development; (iii) results of future test mining and other testing; (iv) metallurgical testing and other studies; (v) results of geological and structural modeling including block model design; (vi) proposed mining operations, including dilution; (vii) the evaluation of future mine plans subsequent to the date of any estimates; and (viii) the possible failure to receive required permits, licenses and other approvals. It cannot be assumed that all or any part of a "Inferred" or "Indicated" Mineral Resource estimate will ever be upgraded to a higher category.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.*

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