

Signal Gold Inc. Announces 2024 Third Quarter Results

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TORONTO, Nov. 12, 2024 - [Signal Gold Inc.](#) ("Signal Gold" or the "Company") (TSX:SGNL) (OTCQB:SGNLF) is pleased to report its business and financial results for the three and nine months ended September 30, 2024 ("Q3 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

"The most recent quarter has been transformational for Signal Gold. With the recently announced combination between Signal Gold and [NeXGold Mining Corp.](#), we are positioned to create one of Canada's most advanced near-term gold developers, focused on the development of the Goldboro Project and NexGold's Goliath Gold Complex. The recently completed concurrent financing and proposed restructuring of the Company's credit facility will strengthen the combined entity's balance sheet to achieve many near-term catalysts. At Goldboro, we continue to focus on key permits and have now received the Mineral Lease and accepted the Crown Land Lease and Licence, while making strong progress on the Fisheries Act Authorization and Schedule II Amendment. We also released the high-grade drill results at the western extension of Goldboro, which continue to demonstrate the scale and growth potential the Goldboro Project."

Kevin Bullock, President and CEO, Signal Gold Inc.

Highlights for the Period Ended September 30, 2024

- Signal Gold invested \$1,418,907 in the Goldboro Project during Q3 2024, focused on continued advancement of key Project permits, mineral resource expansion drilling at the western extension of the Goldboro Deposit, and regional exploration in the historic Goldboro Gold District.
- The Company continued to release results from a 5,179-metre drill program on the western extension of the Goldboro Deposit completed in Q2 2024. Assay results released on the program's twenty-six drill holes have intersected multiple high-grade zones of gold mineralization, confirming the potential to delineate additional open-pit Mineral Resources.
- The Company was granted a Mineral Lease for the Goldboro Project from the Government of Nova Scotia for a 20-year term, in accordance with the Mineral Resources Act and Mineral Resources Regulations.
- The Company accepted the Crown Land Lease and Licence Letter of Offer for the Goldboro Project, which covers the surface area associated with the proposed site infrastructure.
- The Company continued to progress other key project permitting, including addressing regulator feedback on the Fisheries Act Authorization, Schedule 2 Amendment, and Industrial Approval application.
- Regional exploration work continued during Q3 2024, with specific work being conducted on the Fowler, Stewart, Hurricane and Armstrong Targets in the historic Goldboro Gold District, which includes geological mapping, prospecting, surface geochemical sampling, and ground geophysics, with the aim of identifying drill specific targets to discover gold mineralization.
- Net comprehensive loss from continuing operations for the three months ended September 30, 2024 was \$15,710,647, or \$0.06 per share compared to a loss of \$5,499,947, or \$0.02 per share, for the comparative period of 2023, resulting primarily from an impairment charge of \$13,410,000 relating to Goldboro and Tilt Cove and a higher finance expense, partially offset by lower corporate administration costs and other income related from a foreign exchange gain.
- The Company ended the third quarter with a cash balance of \$5,187,821 and working capital deficit* of \$22,940,826, which reflects the classification of the Nebari Credit Facility 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.

Corporate Updates

On October 9, 2024, NexGold Mining Corp. ("NexGold") and Signal Gold entered into a definitive agreement

(the "Arrangement Agreement") to combine and create an advanced Canadian near-term gold developer to progress the Goldboro Project and NexGold's Goliath Gold Complex Project in Northern Ontario (the "Transaction"). Pursuant to the Transaction, NexGold will acquire all the issued and outstanding common shares of Signal Gold in exchange for common shares of NexGold by way of a plan of arrangement. Each Signal Gold share will be exchanged for 0.1244 of a NexGold share. Upon completion of the Transaction, existing NexGold and Signal Gold shareholders will own approximately 71% and 29% of NexGold, respectively, on a fully diluted in-the-money basis.

On November 5, 2024, the Company sold the Tilt Cove Project to FireFly Metals Ltd. ("FireFly"). As part of the sale, the Company received \$570,000 in cash and \$2,500,000 of common shares of FireFly. The Company will also receive a milestone payment of \$1,000,000 if FireFly announces a mineral resource estimate, in any category, of at least 500,000 ounces of gold equivalent ounces at a grade of at least 1.0 grams per tonne gold equivalent at Tilt Cove.

Consolidated Results Summary**

Financial Position	September 30, 2024	December 31, 2023		
	(\$)			
Cash and cash equivalents	ca5,187,821	9,851,672		
Working capital (deficit)*	122,940,826) (4,556,223)		
Total assets	55,543,590	95,331,016		
Non-current liabilities	36,266	27,980,457		
Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023	
Corporate administration costs	998,491	1,218,348	2,763,493	4,108,749
Share-based compensation expense	131,197	292,515	1,031,932	745,819
Finance expense	1,022,894	1,136,940	3,754,051	2,963,573
Depreciation	58,088	71,692	180,226	207,223
Impairment of exploration assets	13,410,000	-	38,410,000	-
Loss on investments	360,764	186,178	235,913	186,178
Loss on equity accounted investments	24,052	27,188	71,912	45,660

Other income	(456,839)	(58,699)	(144,086)	(457,323)
Loss before tax								
from continuing operations	15,828,647		2,874,162		46,303,441		7,799,879	
Deferred income tax (recovery)	118,000)	2,102,000		(5,081,000)	4,167,000	
expense								
Loss from continuing operations	15,710,647		4,976,162		41,222,441		11,966,879	
Loss from discontinued operations			523,785	-			899,004	
Net loss and comprehensive loss (\$)	15,710,647		5,499,947		41,222,441		12,865,883	
Net loss per share basic	0.06		0.02		0.16		0.06	
Net loss per share fully diluted	-0.06		0.02		0.16		0.06	

*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 and nine months ended September 30, 2023.

Review of the Three Months Ended September 30, 2024

As of September 30, 2024, the Company assessed the recoverability of the carrying values of both Goldboro and Tilt Cove based on the values implied by the NexGold and FireFly transactions, respectively. Based on this assessment, the Company recognized an impairment charge of \$11,830,000 and \$1,580,000 on its Goldboro and Tilt Cove exploration and evaluation assets, respectively, for the period ended September 30, 2024. This is in addition to the impairment charge of \$25,000,000 recognized for the period ended June 30, 2024, based on the determination of a recoverable amount with reference to various market valuation metrics for comparable junior mining companies with development-stage assets.

Corporate administration costs in the third quarter of 2024 were \$998,491 compared to \$1,218,348 in the comparative period of 2023, an 18% decrease reflecting the significant reduction in costs implemented by the Company. During the third quarter, the Company was focused on its strategic review process and negotiation of a transaction with NexGold, marketing and communications, and permitting of the Goldboro Project. The depreciation charge of \$58,088 during Q3 2024 primarily reflects amortization of the Company's corporate office space.

Finance expense for Q3 2024 was \$1,302,894 compared to \$1,136,940 for the three months ended September 30, 2023, primarily related to interest and deferred financing fees associated with the senior secured credit facility with Nebari, under which US\$16,000,000 was drawn in February of 2023 ("Credit Facility"). The higher expense in the most recent quarter reflects the higher relative interest rate environment.

The Company recognized a loss on investments of \$360,764 as of September 30, 2024, relating to the sale of its full position in [Maritime Resources Corp.](#), which reflects the decline in fair value from Q2 2024 to the time of sale.

Other income was \$456,839 in Q3 2024, compared to \$58,699 in the comparative period of 2023. The movement primarily reflects the appreciation of the Canadian dollar against the US dollar, resulting in a foreign exchange gain of \$316,696 in Q3 2024, relating to the valuation of the Credit Facility (which is denominated in US dollar) and the revaluation of US denominated cash balances. This is partially offset by the decrease in recovery of the deferred premium on flow through shares of \$73,286 in Q3 2024 compared to \$279,462 in Q3 2023 when the Company undertook its largest ever drill program.

Net comprehensive loss for Q3 2024 was \$15,710,647, or \$0.06 per share, compared to \$5,499,947, or \$0.02 per share, for the corresponding period of 2023. The increase in net loss was primarily related to the impairment of exploration and evaluation assets, which was partially offset by lower corporate administration costs and a decrease in the deferred tax expense from the prior period.

Financial Position and Cash Flow Analysis

The Company's working capital deficit as of September 30, 2024, reflecting the reclassification of the Credit Facility to current liabilities, is as follows:

(In
\$ September 30, 2024

Cash
and
cash equivalents

Other
current
assets

Current
assets

Trade
and
other payables

Current
portion
of
loans
and
other
current
liabilities

Current
liabilities

Working
capital
deficit*)

**Refer to Non-IFRS Measures section below.*

The Company's cash flow used in operating activities from continuing operations was \$722,679 and \$2,158,492 during the three and nine months ended September 30, 2024, respectively, relating predominantly to corporate administration costs, which were partially offset by interest income.

For the three and nine months ended September 30, 2024, the Company invested \$1,418,907 and

\$3,097,198, respectively, relating mainly to ongoing exploration programs at the Goldboro Project, including the western extension of the Goldboro Deposit and regional programs, and the continued advancement of project permits.

The Company's cash flow used in financing activities for the three and nine months ended September 30, 2024, were \$95,095 and \$273,588, respectively, reflecting lease 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.

This news release has been reviewed and approved by Kevin Bullock, P. Eng., President and CEO with Signal Gold Inc., a "Qualified Person", under National Instrument 43-101 Standard for Disclosure for Mineral Projects.

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.

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