

Signal Gold Announces Q4 and Full Year 2023 Financial Results and Reiterates Near-Term 2024 Priorities at Goldboro

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TORONTO, February 29, 2024 - [Signal Gold Inc.](#) ("Signal Gold" or the "Company") (TSX:SGNL)(OTCQX:SGNLF) is pleased to report its financial and operating results for the fourth quarter ("Q4") and year ended December 31, 2023. The consolidated financial statements and management discussion and analysis documents can be found at www.sedarplus.com and the Company's website, www.signalgold.com. The Company has also filed its updated Annual Information Form for the year ended December 31, 2023, dated as of February 29, 2024, which is also available under the Company's SEDAR profile. All dollar amounts are in Canadian dollars unless otherwise noted.

"Signal Gold remains committed to advancing the Goldboro Project to become the next fully permitted, construction ready, gold project in Canada. We are proud of the meaningful advancements achieved at Goldboro in 2023, despite significant challenges for junior mining companies. In 2024, we are focused on value creation through exciting exploration initiatives to generate new discoveries on our expanded exploration land package, 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."

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

Signal Gold 2023 Highlights

- Invested \$19,785,065 in the Goldboro Project in 2023, relating to detailed engineering to support the submission of key development permits, growth exploration drilling, geotechnical programs, and the significant expansion of the Company's exploration land position.
- Achieved key permitting milestones for the Goldboro Project with the submission of the Mineral Lease Application, Industrial Approval Application, and Fisheries Act Authorization during 2023. The Company was also notified that the documentation for the Schedule 2 Amendment was reviewed and recommended by both Environment and Climate Change Canada and the Department of Fisheries and Oceans for Indigenous and public consultation, which is expected to commence in the first quarter of 2024.
- Consolidated the majority of the Goldboro Gold District, and have now increased the Company's exploration license area to approximately over 27,200 hectares (~272 km²), making Goldboro one of Canada's larger scale, development-stage gold districts.
- Executed and completed the Company's largest ever exploration drill program in 2023. Gold mineralization has now been discovered over one kilometre along strike in the same style and structure as the Goldboro Deposit, bringing the total strike length of known mineralization to 3.4 kilometres.
- Completed a 2,700-line kilometre airborne magnetic and very low frequency electromagnetic ("VLF") survey over the Goldboro Gold District, which indicates numerous VLF anomalies associated with both the Goldboro and Lower Seal Harbour Trends, a combined 51 kilometers of strike potential.
- Completed the sale of the Point Rousse Project to [Maritime Resources Corp.](#) for \$3,000,000 in cash, 23,970,218 common shares of Maritime, and Maritime's assumption of the related reclamation liabilities.
- Recorded a net comprehensive loss in 2023 of \$15,880,379, or \$0.07 per share, compared to a loss of \$11,677,264, or \$0.06 per share, in 2022, resulting from higher finance expense, a loss on the revaluation of investments, and a higher deferred income tax expense, partially offset by an increase in other income and decrease in net loss on discontinued operations in 2023.
- Ended the 2023 year with a cash balance of \$9,851,672 and working capital* of \$8,293,302.

* 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

In 2024, 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. The Company began 2024 with a cash balance of \$9.85 million and has reduced corporate overhead costs and discretionary spending. The Company is also actively considering its options with respect to the existing Credit Facility with Nebari while advancing the Goldboro Project.

Consolidated Results Summary **

Financial Period	December 31, 2023	December 31, 2022		
Cash and cash equivalents	9,851,672	9,251,062		
Working capital (deficit)*	6,129,302	(4,556,223))	
Total assets	95,331,016	93,852,657		
Non-current liabilities	27,980,457	8,182,779		
	Three months ended December 31		Year ended December 31	
Financial Results	2022	2023	2022	
Corporate administration costs	1,166,685	4,662,800	4,849,114	
Share-based compensation expense	304,139	880,427	877,575	
Finance expense	436,622	4,856,364	1,490,931	
Depreciation	35,634	275,977	156,699	
Loss (gain) on revaluation of investments	-	1,090,167	(326,973))
Loss on equity accounted for investments	1,019,020	56,113	1,078,900	
Other income	(744,004)	(1,201,327)	(261,939))

Loss before tax from continuing operations	2,820,642	2,712,491	10,620,521	7,864,307
Deferred income tax expense	417,000	697,000	4,384,000	697,000
Loss from continuing operations	3,037,642	3,409,491	15,004,521	8,561,307
Net (income) loss from discontinued operations	23,146) 3,219,210	875,858	3,115,957
Net loss and comprehensive loss (\$)	3,014,496	6,628,701	15,880,379	11,677,264
Net loss per share				
- basic				
- From continuing operations	0.010.010.00	0.03 0.02 0.01	0.07 0.07 0.00	0.06 0.04 0.02
- From discontinued operations				
Net loss per share				
- fully diluted				
- From continuing operations	0.010.010.00	0.03 0.02 0.01	0.07 0.07 0.00	0.06 0.04 0.02
- From discontinued operations				

*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 and year ended December 31, 2023.

Review of the Year Ended December 31, 2023

Corporate administration costs in 2023 were \$4,662,800 compared to \$4,849,114 in the prior year, while the Company focused on the closing of the sale of Point Rousse, the consolidation of the Goldboro Gold District, permitting for the Goldboro Project, and marketing and communications. The Company projects corporate administration costs to decrease further in 2024 now that it is exclusively focused on the Goldboro Project. The depreciation charge of \$275,977 during 2023 reflects the amortization of the Company's corporate office space.

Finance expense in 2023 was \$4,856,364, a significant increase compared to 2022 primarily due to interest and deferred financing fees relating to the senior secured credit facility with Nebari Resources, whereby the Company drew down US\$16.0 million in February of 2023 (the "Nebari Credit Facility"), and costs associated with the subsequent amendment to the Nebari Credit Facility.

The Company recognized a loss on the revaluation of investments of \$1,090,167 relating to its investment in Novamera, compared to a gain of \$326,973 in the prior year, based on valuations from recent Novamera funding initiatives. The Company recognized a loss on its equity investment in [Magna Terra Minerals Inc.](#) of \$56,113 in 2023, compared to \$1,078,900 in the prior year when it took an impairment of \$984,442 on its investment.

Other income during 2023 was \$1,201,327 compared to \$261,939 in the prior year, primarily driven by a foreign exchange gain of \$569,780, and a recovery of \$538,808 as a deferred premium on flow through common shares.

The net loss from discontinued operations during the year was \$875,858, driven primarily by the transition of Point Rousse into care and maintenance and the resulting impairment charge of \$2,075,072 and care and maintenance costs of \$1,009,056, which were partially offset by revenue from final metal sales. The comparative loss of \$3,115,957 in 2022 was primarily driven by severance charges and significantly higher depletion and depreciation related to the wind down of operations at Point Rousse.

Net comprehensive loss for 2023, was \$15,880,379, or \$0.07 per share, compared to \$11,677,264, or \$0.06 per share, for 2022. The increase in net loss was predominantly related to higher finance expenses related to the Credit Facility and the extinguished Auramet promissory note and an increased deferred tax expense relating to ongoing exploration activity at the Goldboro Project, partially offset by the increase in other income and the lower net loss from discontinued operations at Point Rousse.

Financial Position and Cash Flow Analysis

As of December 31, 2023, the Company had working capital of \$8,293,302, which includes a cash balance of \$9,851,672.

(In
\$) December 31, 2023

Cash
and
cash
equivalents
9,851,672

Other
current
assets
1,321,111

Current
assets
11,172,783

Trade
and
other
payables
2,879,481

Current
portion
of
loans
and
other
current
liabilities
Current
liabilities
Working
capital
(deficit)*

875,937

1,890,481

8,120,302

*Refer to Non-IFRS Measures section below.

The cash balance throughout 2023 reflected the drawdown of the Credit Facility with Nebari and private placements completed in June 2023 and December 2023 for gross proceeds of \$6,688,800 and \$5,020,070 respectively, offset by ongoing development and exploration costs for the Goldboro Project and the repayment of the US\$8,000,000 Promissory Note with Auramet (which accounts for the reduction in the current portion of loans). The reduction of inventory reflects the disposition of Point Rousse, which also accounts for the reduction in trade and other payables from December 31, 2022.

Signal Gold's cash flow used in operating activities from continuing operations was \$3,654,541 during the year ended December 31, 2023, relating predominantly to corporate administration costs and changes to working capital. All cash flows from operating activities relating to the Point Rousse operation, which was sold in August 2023, have been reclassified as cash flow from discontinued operations.

In 2023, the Company invested \$19,785,065 in its exploration and evaluation assets from continuing operations at the Goldboro Project, predominantly relating to detailed engineering to support the submission of key development permits, growth exploration drilling, geotechnical programs, and the significant expansion of its exploration land position in the Goldboro Gold District.

Financing activities during 2023 included the net proceeds of \$6,688,800 and \$5,020,070 from two non-brokered private placements completed in June and December, respectively, and the draw down of the initial tranche of the Nebari Credit Facility for US\$16,000,000, a portion of which was used to extinguish an existing US\$8,000,000 promissory note with Auramet.

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 licenses 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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