

# NexGold Mining Corp. and Signal Gold Inc. Complete Business Combination

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TORONTO, Dec. 13, 2024 - [NexGold Mining Corp.](#) (TSXV:NEXG) (OTCQX:NXGCF) ("NexGold") and [Signal Gold Inc.](#) (TSX:SGNL) (OTCQB:SGNLF) ("Signal Gold") are pleased to announce the successful completion of the previously-announced transaction pursuant to which, among other things, NexGold acquired all of the issued and outstanding common shares of Signal Gold (the "Signal Shares") pursuant to a court-approved plan of arrangement under the Business Corporations Act (Ontario) (the "Arrangement"). The Arrangement combines the two companies to create a top near-term gold developer advancing NexGold's Goliath Gold Complex Project ("Goliath Project") in Northern Ontario and Signal Gold's Goldboro Gold Project ("Goldboro Project") in the historic Goldboro Gold District in Nova Scotia.

Kevin Bullock, President, CEO and Director of the combined company, stated: "Today we have created a stronger and larger company with two cornerstone assets that we believe are near-term gold development projects. We have also strengthened the balance sheet, and now have a great opportunity to create immense value for our combined shareholder base. We extend our thanks to shareholders, stakeholders and our Rightsholders that will help us realize our vision. With this transaction, NexGold is primed to move forward on our path to development." Mr. Bullock continued: "I would like to thank the outgoing members of the Signal Gold board of directors for their diligence and hard work in moving us towards this next phase."

Pursuant to the Arrangement, former Signal Gold shareholders received 0.1244 of a NexGold common share (each whole share, a "NexGold Share") in exchange for each Signal Share held. NexGold issued approximately 31.9 million NexGold Shares to former Signal Gold shareholders, prior to taking into consideration any of the financings connected to the Arrangement, representing approximately 70% and 30% of the issued and outstanding NexGold Shares, respectively, on a fully-diluted in-the-money basis and without taking into account any securities of NexGold issued in connection with the Arrangement.

## Board of Directors and Senior Management of Combined Company

Mary-Lynn Oke (a former Signal Gold director) and Kevin Bullock have joined the NexGold Board of Directors (the "Board"). Reporting to the Board, the combined company will be managed by Kevin Bullock as President and Chief Executive Officer, Jeremy Wyeth as Chief Operating Officer and Orin Baranowsky as Chief Financial Officer.

Jim Gowans, Chairman of NexGold, stated: "I am excited for the path forward for NexGold, a company that I believe has two of the most advanced gold projects in Canada, with significant exploration potential and an excellent team in place capable of delivering on a clear path to being a multi-asset producer. With the recently announced Benefits Agreement with the Assembly of Nova Scotia Mi'kmaq, the first of its kind in the Province of Nova Scotia, NexGold has demonstrated a commitment to building meaningful relationships towards mutual benefits with the Mi'kmaq of Nova Scotia in a responsible, respectful and sustainable manner."

Mr. Gowans continued: "I would like to welcome Kevin and Mary-Lynn to the Board and would like to thank Michele Ashby for her contributions to the Board as Chair of the Compensation Committee and Jeremy Wyeth, who will be taking on the newly-created role of Chief Operating Officer responsible for the successful delivery of the Goliath and Goldboro Projects. I'd also like to thank Morgan Lekstrom, who will continue on as a Director, for his instrumental leadership and contributions to the creation of NexGold, creating a clear vision and strong path forward to being one of the next Canadian mid-tier gold companies".

## Debt Restructuring

NexGold and Signal Gold are also pleased to announce the completion of a restructuring of the two entities' respective debt facilities (the "Debt Restructuring"), significantly reducing the debt profile of the combined entity going forward. Signal Gold's outstanding credit facility of approximately US\$20.8 million with Nebari and NexGold's US\$6.2 million facility with Extract Capital ("Extract") have been repaid in connection with the Arrangement.

Under the Debt Restructuring, NexGold has entered into a new US\$12.0 million facility with Nebari, which

has a 30-month term with an interest rate of 11.4%, payable monthly in arrears and secured against both the Goliath and Goldboro Projects. Under the facility, existing Signal Gold warrants associated with the prior Nebari facility were cancelled, and 3,160,602 new NexGold warrants were issued to Nebari with an exercise price of \$1.00 per NexGold Share with a term of 30 months.

In addition, Nebari has paid NexGold US\$6.0 million for a 0.6% net smelter return royalty (the "Royalty") on the Goldboro Project, which includes a 100% buy-back right for the first 30 months at NexGold's option. If the Royalty is not repurchased during the 30-month period, then the Royalty rate shall increase to 2.0%.

The new Nebari facility and Royalty, together with a US\$4.0 million equity placement with Nebari and certain proceeds from the Signal Gold subscription receipt financing, as well as existing working capital, were used to retire the existing Nebari and Extract debt.

Steven Bowles, Managing Director of Nebari, stated: "We have been monitoring the progress of the Goliath Project for many years and have been a partner with Signal in advancing the Goldboro Project. We are very pleased to continue this relationship with NexGold as they progress the development of both of their advanced projects. The experience and dedication of the combined teams demonstrated throughout Nebari's due diligence during the merger process between NexGold and Signal provides us with a great deal of confidence in the organization's ability to execute on its development plans and are excited to add another asset in a Tier-One mining jurisdiction to our growing portfolio."

### **Advisory Shares**

In connection with the Arrangement, Fiore Management and Advisory Corp. was issued 638,334 NexGold Shares in consideration for advisory services provided to NexGold.

BMO Nesbitt Burns Inc. will be issued NexGold Shares as partial consideration for financial advisory services provided to Signal Gold in connection with the Arrangement. The number of NexGold Shares to be issued will be determined based on NexGold's closing share price today and disclosed in NexGold's material change report to be filed in connection with the closing of the Arrangement.

### **Delisting of Signal Shares**

The Signal Shares are expected to be delisted from the Toronto Stock Exchange ("TSX") and OTCQB Venture Market ("OTCQB") at the close of business on December 16, 2024 and Signal Gold intends to submit an application to cease to be a reporting issuer and to otherwise terminate its public company reporting requirements as soon as possible thereafter.

### **About NexGold Mining Corp.**

NexGold Mining Corp. is a gold-focused company with assets in Canada and Alaska. NexGold's Goliath Gold Complex (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 will be advancing the Goldboro Gold Project in Nova Scotia, a significant growth project subject to a positive Feasibility Study. 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 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 Gold 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 28,525 hectares (~285 km<sup>2</sup>) of prospective exploration land in the Goldboro Gold District.

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 wellbeing. Further details about NexGold are available on NexGold's website at [www.nexgold.com](http://www.nexgold.com).

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

**Cautionary Note Regarding Forward-Looking Information**

*This news release includes certain "forward-looking information" and "forward-looking statements" (collectively, forward-looking statements") within the meaning of Canadian and United States securities legislation that is based on expectations, estimates, projections and interpretations as at the date of this news release. Any statement that involves predictions, expectations, interpretations, beliefs, plans, projections, objectives, assumptions, future events or performance (often, but not always, using phrases such as "expects", or "does not expect", "is expected", "interpreted", "management's view", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "potential", "feasibility", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information. Such forward-looking statements include, but are not limited to, statements regarding the expected delisting of Signal Shares from the TSX and OTCQB and Signal Gold's application to cease to be a reporting issuer in Canada; expectations regarding the potential benefits and synergies of the Arrangement and the ability of the combined company to successfully achieve business objectives; expectations relating to future exploration, development and production activities; expectations regarding growth potential for NexGold's operations; and the company's assessments of, and expectations for, future business activities and operating performance*

*Since forward-looking information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the delisting of Signal Shares from the TSX and OTCQB, and Signal ceasing to be a reporting issuer in Canada, may not be on the timing anticipated; the ability of the combined company to realize the benefits and synergies of the Arrangement and the ability of the combined company to successfully achieve business objectives, including integrating the companies or the effects of unexpected costs, liabilities or delays; changes to expectations relating to future exploration, development and production activities, and growth potential for NexGold's operations; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of mineral resource, production and cost estimates; health, safety and environmental risks; worldwide demand for gold and base metals; gold price and other commodity price and exchange rate fluctuations; environmental risks; competition; incorrect assessment of the value of acquisitions; ability to access sufficient capital from internal and external sources; and changes in legislation, including but not*

*limited to tax laws, royalties and environmental regulations. Actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits may be derived therefrom and accordingly, readers are cautioned not to place undue reliance on the forward-looking information. Neither NexGold nor Signal Gold undertakes to update any forward-looking information, except in accordance with applicable securities laws.*

SOURCE: Signal Gold Inc.

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