



**Management Discussion and Analysis**

**For the three and six month periods ended June 30, 2022 and June 30, 2021**  
(Expressed in Canadian Dollars)

## SIGNAL GOLD INC. Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS

---

This management discussion and analysis (“MD&A”) dated August 4, 2022 of Signal Gold Inc. (“Signal Gold” or the “Company”) (formerly Anaconda Mining Inc.) provides a discussion of the Company’s consolidated financial position and the results of its consolidated operations for the three and six months ended June 30, 2022. This MD&A should be read in conjunction with the Company’s condensed interim consolidated financial statements and the related notes for the three and six months ended June 30, 2022 and June 30, 2021, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. Since the condensed interim consolidated financial statements do not include all disclosure required by IFRS for annual statements, they should be read in conjunction with the Company’s audited consolidated financial statements as at and for the year ended December 31, 2021. This MD&A should also be read in conjunction with the risk factors described in the “Risk Factors” section at the end of this document. Additional information, including the condensed interim consolidated financial statements for the three and six months ended June 30, 2022, the audited annual financial statements for the year ended December 31, 2021, the Company’s Annual Information Form for the year ended December 31, 2021, and press releases, have been filed through the System for electronic Document Analysis and Retrieval (“SEDAR”) and are available online under the Signal Gold Inc. profile at [www.sedar.com](http://www.sedar.com).

All amounts presented are in Canadian Dollars unless otherwise stated.

Certain non-IFRS measures are included in this MD&A, including operating cash cost per ounce and all-in sustaining costs (“AISC”) per ounce. In the gold mining industry, these are common performance measures but may not be comparable to similar measures presented by other issuers. Signal Gold believes that these measures, in addition to that information prepared in accordance with IFRS, provides investors with useful information to evaluate the Company’s performance and ability to generate cash flow from its operations. 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. For further information, refer to the “Non-IFRS Measures” section of this MD&A.

---

### Company Overview

---

Signal Gold is a TSX and OTCQX-listed gold mining, development, and exploration company, focused in the top-tier Canadian mining jurisdictions of Nova Scotia and Newfoundland. The Company is advancing the Goldboro Gold Project in Nova Scotia, a significant growth project subject to a positive Feasibility Study (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). Signal Gold also operates mining and milling operations in the prolific Baie Verte Mining District of Newfoundland which includes the fully permitted Pine Cove Mill, tailings facility and deep-water port, as well as ~15,000 hectares of highly prospective mineral property, including those adjacent to the past producing, high-grade Nugget Pond Mine at its Tilt Cove Gold Project.

Signal Gold’s common shares trade on the Toronto Stock Exchange (“TSX”) under the symbol “SGNL” and on the OTCQX under the symbol “SGNLF”. Signal Gold Inc. is incorporated under the laws of Ontario, with its registered head office located at 20 Adelaide Street East, Suite 915, Toronto, Ontario, M5C 2T6. Further information about Signal Gold can be found in the Company’s regulatory filings, including the Annual Information Form, available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.signalgold.com](http://www.signalgold.com).

### Name Change

---

On May 12, 2022, the Company announced that it had changed its name to Signal Gold following the approval of the name change by shareholders. The name change to Signal Gold Inc. reflects the near-term growth potential of the Company and better reflects its commodity focus, history, and progress in the top-tier mining jurisdiction of Atlantic Canada.

### COVID-19 Pandemic and Preparedness

---

As of the date of this MD&A, Point Rouse continues to operate and appropriate health and safety protocols remain in place and are continually reviewed based on recommendations from medical authorities. Several health and safety protocols have been established to minimize risk to our employees and contractors, with appropriate mitigation plans to limit the impact of any exposure.

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

**Corporate Update**

On January 20, 2022, the Company filed the Phase I Open Pit Feasibility Study (“Feasibility Study”) for the Goldboro Gold Project, prepared in accordance with National Instrument 43-101 (“NI 43-101”). The Feasibility Study reported after-tax Net Present Value at a 5% discount rate (“NPV 5%”) of \$328 million and an after-tax Internal Rate of Return (“IRR”) of 25.5%, with an after-tax payback of 2.9 years based on a gold price of \$2,000 per ounce (US\$1,600 at an exchange rate of 1.25 C\$/US\$).

On May 5, 2022, the Company entered into a senior secured loan facility with Auramet International LLC (“Auramet”) whereby the Company received a promissory note of US\$8 million (the “Promissory Note” or the “Note”), with the proceeds of the facility being used for the repayment of a gold prepayment facility with Auramet and for general working capital purposes. The Note is due on May 5, 2023 and the Company may repay the Note from time to time, in minimum incremental amounts of US\$1,000,000, either in whole or in part, subject to any accrued interest. The Note was subject to an original issue discount fee of 2.5%, which was deducted from the principal amount of the Note advanced to the Company. Interest accrues on the unpaid principal amount at the rate of 8% per annum plus the greater of (i) 90 Day US\$ SOFR (Secured Overnight Financing Rate), and (ii) 1.00% per annum payable quarterly in arrears.

On June 3, 2022, the Company submitted an Environmental Assessment Registration Document (“EARD”) for the Goldboro Gold Project to the Nova Scotia Department of Environmental and Climate Change. On August 2, 2022, the Nova Scotia Minister of Environment and Climate Change approved the Goldboro Gold Project, subject to certain terms and conditions outlined in the Environmental Assessment Approval, marking a significant milestone in the regulatory approval process.

On June 9, 2022, the Company completed a \$6.0 million private placement with gross proceeds from the financing to be used primarily to advance development and exploration activities at the Goldboro Gold Project.

**Consolidated Results Summary**

Financial Results	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Revenue (\$)	9,662,397	6,940,004	17,682,700	14,299,912
Cost of operations, including depletion and depreciation	7,545,451	8,216,647	17,619,046	16,878,184
Mine operating income (loss) (\$)	2,116,946	(1,276,643)	63,654	(2,578,272)
Net income (loss) (\$)	(330,902)	(2,202,251)	(3,880,526)	(4,699,101)
Net income (loss) per share (\$/share) – basic and diluted	(0.00)	(0.01)	(0.02)	(0.03)
Cash generated from operating activities (\$)	(2,815,147)	(1,817,960)	(3,929,522)	(1,281,921)
Capital investment in property, mill and equipment (\$)	814,649	1,519,300	2,712,136	2,305,469
Capital investment in exploration and evaluation assets (\$)	4,330,645	4,141,340	7,330,901	6,967,882
Average realized gold price per ounce*	US\$1,846	US\$1,789	US\$1,832	US\$1,827
Operating cash costs per ounce sold*	US\$1,032	US\$1,746	US\$1,476	US\$1,901
All-in sustaining cash costs per ounce sold*	US\$1,498	US\$2,577	US\$2,143	US\$2,652
			<b>June 30, 2022</b>	<b>December 31, 2021</b>
Working capital (deficit)* (\$)			(1,515,112)	1,397,113
Total assets (\$)			101,817,544	95,551,004
Non-current liabilities (\$)			8,679,614	8,235,993

\*Refer to Non-IFRS Measures section for reconciliation

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

	<b>Three months ended June 30, 2022</b>	Three months ended June 30, 2021	<b>Six months ended June 30, 2022</b>	Six months ended June 30, 2021
<b>Operational Results</b>				
Ore mined (t)	<b>74,381</b>	29,558	<b>143,258</b>	88,715
Waste mined (t)	<b>320,799</b>	581,001	<b>1,107,314</b>	1,132,707
Strip ratio	<b>4.3</b>	19.7	<b>7.7</b>	12.8
Ore milled (t)	<b>99,559</b>	117,030	<b>204,054</b>	209,563
Grade (g/t Au)	<b>1.91</b>	0.98	<b>1.43</b>	0.99
Recovery (%)	<b>88.8</b>	86.4	<b>88.0</b>	85.7
<b>Gold ounces produced</b>	<b>5,433</b>	3,201	<b>8,246</b>	5,741
<b>Gold ounces sold</b>	<b>4,098</b>	3,156	<b>7,589</b>	6,275

Beginning in March 2022, mine production was impeded due to a water treatment issue whereby the quantity of water combined with the presence of elevated ammonia levels prevented further drill and blast activities, effectively halting mine production. Corrective action was immediately taken with UV water treatment plants mobilized and in early May 2022, Point Rousse was able to successfully treat all water and commence discharging from both the pit sump and the settlement pond, enabling a return to normal mining operations. The Company confirms that at no time during this incident was any impacted water discharged into the environment, as the Company's robust water management protocols identified the matter in a timely manner.

**Second Quarter 2022 Highlights**

- Signal Gold sold 4,098 ounces of gold in Q2 2022, generating metal revenue of \$9.7 million at an average realized gold price\* of \$2,357 (US\$1,846) per ounce sold.
- Point Rousse produced 5,433 ounces of gold in Q2 2022, a 70% increase compared to Q2 2021 and a 93% increase over Q1 2022, due to the strong grade profile at Argyle since restarting mining operations in early May.
- Mine operations moved 74,381 tonnes of ore during the second quarter from Argyle, including 40,074 tonnes in June as the site ramped back up from the impact of water management issues in Q1 2022 that impacted the mine's ability to drill and blast in April.
- The Pine Cove Mill processed 99,559 tonnes during Q2 2022, of which 38,263 tonnes were from low-grade Pine Cove stockpiles, and achieved an average recovery rate of 88.8%.
- Operating cash costs per ounce sold\* at the Point Rousse operation in Q2 2022 were \$1,318 (US\$1,032), reflecting a 48% improvement from Q1 2022 due to the stronger grade profile from Argyle during the quarter. Operating cash costs per ounce sold\* for the full year are now expected to be between \$1,225 and \$1,325 per ounce of gold sold (US\$992 – US\$1,073) (based on an exchange rate of 0.78).
- All-in sustaining cash costs per ounce sold\*, including corporate administration and sustaining capital expenditures, were \$1,912 (US\$1,498) for Q2 2022.
- Net loss for the three months ended June 30, 2022 was \$330,902, or \$0.00 per share, compared to \$2,202,251, or \$0.01 per share, for the three months ended June 30, 2021, driven predominantly by higher revenue than in the comparative period.
- On June 9, 2022, the Company completed a \$6.0 million private placement with gross proceeds expected to be used primarily to advance development and exploration activities at Goldboro.
- On May 5, 2022, the Company announced that it had executed a US\$8.0 million loan facility with Auramet International LLC, with the proceeds of the facility being used for the repayment of the existing gold prepayment facility with Auramet and for general working capital purposes.
- As of June 30, 2022, the Company had a cash balance of \$10.9 million and an undrawn revolving credit facility of \$3.0 million. The Company had a working capital deficit\* at the end of the quarter of \$1.5 million.

\* 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.

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

**2022 Guidance**

Signal Gold is projecting to produce towards the lower end of its guidance for 2022, which was set at between 21,500 and 23,000 ounces of gold, with mill feed for the remainder of the year predominantly from mining at the Argyle Gold Mine. Operating cash costs per ounce\* for the full year are expected to be between \$1,225 and \$1,325 per ounce of gold sold (US\$992 - US\$1,073 at an approximate exchange rate of 0.78), reflecting the lower strip ratio and increasing grade profile after heavy focus on mine development in 2021 and early 2022. Sustaining capital expenditures are expected to be \$3,750,000 in 2022 in Point Rousse, reflecting the increased capitalized stripping in the first quarter. Sustaining capital also reflects increased costs required to continue progressing the Stog'er Tight Deposit, situated four kilometres east of the Pine Cove Mill.

\* Refer to Non-IFRS Measures Section below.

**Second Quarter 2022 Operating and Financial Review**

**Operational Performance** - Gold production of 5,433 ounces represented a 93% increase over the first quarter of 2022 and a 70% increase compared to Q2 2021, reflecting the higher-grade profile at Argyle since restarting mining operations. During Q2 2022, the mine operations moved 74,381 tonnes of ore after experiencing operational challenges towards the end of the first quarter and into the beginning of the second quarter due to elevated ammonia levels in the water in the Argyle Pit. In early May, Point Rousse was able to successfully treat all water and commence discharging from both the pit sump and the settlement pond, enabling a return to normal mining operations. A focus on waste mine development in Q1 2022 enabled access to higher grade portions of the Argyle Mineral Reserve, which resulted in a lower strip ratio in the second quarter of 2022 of 4.3 waste tonnes to ore tonnes.

The Pine Cove Mill processed 99,559 tonnes during Q2 2022, which included 38,263 tonnes of low-grade Pine Cove stockpiles, a decrease of 15% compared to the second quarter of 2021 as the mill experienced unplanned maintenance to replace a thickener drive. The average grade milled in Q2 2022 was 1.91 g/t, reflecting the higher-grade Argyle ore mined in the quarter, which helped offset the impact of 38% of the mill throughput being from lower grade stockpiles. The mill was able to achieve a strong average recovery rate of 88.8%, an increase over the first quarter of 2022 and the comparative period of 2021, due to the higher-grade throughput.

**Financial Performance** – Signal Gold sold 4,098 ounces of gold during the second quarter of 2022 to generate metal revenue of \$9.7 million at an average realized gold price\* of \$2,357 (US\$1,846) per ounce, representing a 39% increase in metal revenue compared to Q2 2021 due to higher gold sales.

	<b>Three months ended June 30, 2022</b>	Three months ended June 30, 2021	<b>Six months ended June 30, 2022</b>	Six months ended June 30, 2021
Revenue	<b>9,662,397</b>	6,940,004	<b>17,682,700</b>	14,299,912
Cost of operations				
Operating expenses	<b>5,082,524</b>	6,611,503	<b>13,780,439</b>	14,531,625
Royalty expense	<b>323,774</b>	161,107	<b>468,745</b>	348,601
Depletion and depreciation	<b>2,139,153</b>	1,444,037	<b>3,369,862</b>	1,997,958
Total cost of operations	<b>7,545,451</b>	8,216,647	<b>17,619,046</b>	16,878,184
Mine operating income (loss)	<b>2,116,946</b>	(1,276,643)	<b>63,654</b>	(2,578,272)

Operating expenses for the three months ended June 30, 2022 were \$5,082,524 compared to \$6,611,503 in the three months ended June 30, 2021. Operating expenses for Q2 2022 included mining costs of \$3,010,583 which were 35% higher than the comparative period, primarily due to the 152% increase in ore production. Processing costs of \$3,051,955 in Q2 2022 were relatively consistent with the comparative period, however milling 15% less tonnes due to maintenance issues. Operating expenses for Q2 2022 were also impacted by the relative build-up of ore stockpiles and gold-in-circuit inventory, which resulted in an allocation of operating expense of \$1,555,000 to metals inventory. Operating cash costs per ounce sold\* in the second quarter of 2022 were \$1,318 (US\$1,032) and are expected to continue to improve throughout 2022.

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

---

Operating cash costs per ounce sold\* for the full year are expected to be between \$1,225 and \$1,325 per ounce of gold sold (US\$992 - US\$1,073 at an approximate exchange rate of 0.78).

The royalty expense for Q2 2022 was \$323,774 compared to \$161,107 in Q2 2021, reflecting the 3% net smelter return royalty that applies to Argyle. Depletion and depreciation for the three months ended June 30, 2022 was \$2,139,153, a significant increase from \$1,444,037 in Q2 2021 reflecting comparatively higher production in Q2 2022, as well as the impact of the capitalized development of Argyle throughout 2021 and the first quarter of 2022.

Mine operating income for the three months ended June 30, 2022 was \$2,116,946, compared to the mine operating loss of \$1,276,643 in the corresponding period of 2021, with higher revenue driving the increase.

Corporate administration costs were \$1,312,727 in the second quarter of 2022 compared to \$841,643 in Q2 2021, reflecting increased legal costs relating to the name change and the finalization of the Goldboro Gold Project feasibility study, salary adjustments, and increased marketing activities compared to 2021 when the pandemic largely eliminated all marketing-related travel.

Finance expense for the quarter was \$549,089 for Q2 2022, compared to \$39,708 for the three months ended June 30, 2021. Finance costs were higher than the comparative 2021 period as a result of the finance charges related to the Auramet senior secured loan facility and related promissory note, and the extinguishment of the gold prepayment arrangement with Auramet.

In Q2 2022, the Company recorded a recovery of \$164,801 as a deferred premium on flow-through shares, representing the proportion of the remaining qualifying exploration expenditures that were spent from the May 2021 flow-through financing in the three months ended June 30, 2022.

Net comprehensive loss for the three months ended June 30, 2022, was \$330,902, or \$0.00 per share, compared to \$2,202,251, or \$0.01 per share, for the three months ended June 30, 2021. The improvement was the result of higher gold sales and revenue in the most recent quarter, partially offset by higher depletion and depreciation and corporate administration costs.

*\* Refer to Non-IFRS Measures Section below.*

### **Company Strategy and Outlook**

---

Signal Gold is an established gold producer in Atlantic Canada with a strong production growth profile in the near-term, with the aim of growing to annual production of 150,000 ounces per annum over the next five (5) years. The Company has been producing in Newfoundland for over 10 years and has developed the infrastructure, management team, and experienced workforce to serve as the platform for its aggressive growth plan.

Major highlights and progress during 2022 to advance the Company's strategy include:

- Received the Environmental Assessment Approval for the Goldboro Gold Project by the Nova Scotia Minister of Environment and Climate Change, subject to the terms and conditions outlined in the Approval, which allows the Company to commence site-specific permitting processes for Goldboro.
- Filed the Phase I Open Pit Feasibility Study for the Goldboro Gold Project on January 20, 2022, which demonstrates the potential for strong economics over an estimated 11-year open pit life of mine, with an after-tax NPV at a 5% discount rate of \$328 million and an after-tax IRR of 25.5% based on a gold price of \$2,000 per ounce (US\$1,600 at an exchange rate of 1.25 C\$/US\$).
- Announced the results of an independent socio-economic impact assessment of the Goldboro Gold Project, which demonstrated that Goldboro is currently the largest private sector project in Nova Scotia, with a projected \$2.1 billion impact on provincial GDP and the potential to generate 735 new jobs.
- Announced that it had entered into a US\$8.0 million loan facility with Auramet, with proceeds of the facility being used for repayment of a gold prepayment facility with Auramet and for general working capital purposes.
- Completed a 3,865-metre diamond drill program at the Goldboro Gold Project designed to convert Inferred Mineral Resources into Indicated Mineral Resources and announced the results from a drill program focused on the East Goldbrook Pit, which support the continuity of high-grade gold mineralization along the north limb of the Goldboro deposit.
- Completed a \$6.0 million private placement with gross proceeds from the financing to be used primarily to advance development and exploration activities at the Goldboro Gold Project.
- Continued work on internal pit designs in anticipation of a potential development scenario at Stog'er Tight, received tree cutting and Crown Land permits, and is working towards the finalization of the Mining Lease.
- Completed a winter exploration program at the Tilt Cove Gold Project, which consisted of a 2,198-metre drill program, a 60.8-line kilometre ground Induced Polarization ("IP") geophysical program, and till sampling near West Pond.
- Completed 4,222 metres of drilling in 29 drill holes at Point Rouse testing five main exploration targets, and a 90 line-kilometre IP geophysical survey. The work at Point Rouse has led to the identification of further high-priority exploration targets, including the Pumbly Point, Corkscrew-Big Bear, Iron Formation, Animal Pond, Corkscrew Road, and Goldenville targets.

### **THE GOLDBORO GOLD PROJECT, NOVA SCOTIA**

The Goldboro Gold Project is a 100%-owned gold development project located in Guysborough County, Nova Scotia, located approximately 180 kilometres northeast of Halifax and covering 600 hectares. The Goldboro Mineral Resource occurs within a 2.1-kilometre section of the Upper Seal Harbour anticline.

#### **➤ Moving Towards Development**

In January 2022, the Company filed the Phase I Open Pit Feasibility Study, which demonstrates strong economics with a mine life of approximately 11 years and average annual gold production of 100,000 ounces. Highlights of the Feasibility Study include:

- Total gold recovered of over 1.10 million ounces over an approximately 11-year open pit life of mine ("LOM") with average gold production of 100,000 ounces per annum and an average diluted grade of 2.26 g/t gold;
- Pre-tax Net Present Value at a 5% discount rate ("NPV 5%") of \$484 million and a pre-tax Internal Rate of Return ("IRR") of 31.2%, with a projected pre-tax payback of 2.7 years;
- After-tax NPV 5% of \$328 million and an after-tax IRR of 25.5%, projected after-tax payback of 2.9 years;
- Maiden Open Pit Probable Mineral Reserves of 1,150,200 ounces of gold (15.8 Mt at 2.26 g/t gold);
- Open Pit Measured and Indicated Mineral Resources of 1,422,000 ounces (15.7 Mt at 2.82 g/t gold) and Underground Measured and Indicated Mineral resources of 1,159,000 ounces (5.9 Mt at 6.09 g/t gold);

## SIGNAL GOLD INC. Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS

---

- Open Pit Inferred Mineral Resources of 66,000 (0.98 Mt at 2.11 g/t gold) and Underground Inferred Mineral Resources of 418,000 ounces (2.2 Mt at 5.89 g/t gold);
- Initial capital cost (“Capex”) of \$271 million and LOM sustaining capital of \$63 million;
- LOM Operating Cash Costs of \$966 (US\$773) per ounce\* and All-In Sustaining Costs (“AISC”) of \$1,062 (US\$849) per ounce\*;

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

Furthermore, the Project shows strong potential for further value creation:

- Infill drilling has the potential to reduce the strip ratio and positively impact NPV and IRR by upgrading Inferred Mineral Resources coincident with the current open pit designs based on Measured and Indicated Mineral Resources only;
- Potential for Mineral Resource expansion, particularly towards the west with further exploration of a 1.5 kilometre long area along strike of the existing Deposit towards the past producing gold mine at Dolliver Mountain;
- The Deposit has been drill tested to only 500 metres and remains open at depth. A future study will consider upgrading and expanding potentially mineable underground Mineral Resources as part of the longer-term mine development plan.

On June 3, 2022, the Company submitted an EARD for the Project to the Nova Scotia Department of Environment and Climate Change. On August 2, 2022, the Project was approved by the Nova Scotia Minister of Environment and Climate Change subject to the terms and conditions outlined in the Environmental Assessment Approval. The approval marks a significant milestone in the regulatory approval process, allowing the Company to commence site-specific permitting processes including the Industrial Approval and Crown Land Lease and Mining Lease applications. Throughout 2022, the Company will continue work to support permitting activities, including Mi'kmaq engagement and public consultation, additional surface and groundwater modelling, detailed engineering, and ongoing baseline studies to support an Industrial Approval.

### ➤ Socio-Economic Impact Assessment

On March 3, 2022, the Company announced the results of an independent socio-economic impact assessment of Goldboro, which was prepared to demonstrate the potential social and economic impacts of the Project throughout approximately fifteen years of construction, operations and eventual reclamation, based on the Feasibility Study. Highlights of the socio-economic impact assessment include:

- Over approximately 15 years, Signal Gold anticipates spending up to \$1.7 billion on goods and services, the majority of which is expected to be in Nova Scotia, resulting in a potential provincial GDP impact of \$2.1 billion.
- Household income in Nova Scotia may potentially increase by up to \$1.1 billion from the development of the Project.
- Up to 538 full time direct jobs could be created during the two-year construction phase, of which 325 are expected to be directly on site at the Project, along with a further 213 full time spinoff jobs each year over this period.
- Once operational, the Project is estimated to provide direct annual employment for approximately 215 full time positions at the Project site and 517 spin off jobs, in the Eastern Region of Nova Scotia where the current unemployment level of 14.2% exceeds the provincial average.
- Over the life cycle of the Project, including construction, operations and reclamation, the Goldboro Gold Project has the potential to create 735 new jobs a year in Nova Scotia for 15 years.
- Based on the current plan outlined in the Feasibility Study, the Project is estimated to generate \$528 million in income and mining taxes at the federal, provincial and municipal level from direct and spin-off economic activity.

At \$1.7 billion in direct spending and \$2.1 billion impact on provincial GDP, **the Goldboro Gold Project is currently the largest private sector undeveloped project in the Province of Nova Scotia** and would be comparable to other planned projects including the Halifax Infirmary Expansion and the Sydney Container Terminal.

### ➤ Expanding the Mineral Resource

On December 16, 2021, the Company announced an updated and significantly expanded Mineral Resource prepared in accordance with NI 43-101 for Goldboro, with an effective date of November 15, 2021 as outlined in a technical report, entitled “NI 43-101 Technical Report and Feasibility Study for the Goldboro Gold Project, Eastern Goldfields District, Nova Scotia”. The Mineral Resource is based on validated results of 681 surface and underground drill holes, for a total of 121,540 metres of diamond drilling that was completed between 1984 and the effective date of November 15, 2021. The Mineral

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

Resource includes 55,803 metres of drilling conducted by the Company including 7,488.3 metres of diamond drilling in 62 holes since the previous Mineral Resource Estimate of February 7, 2021.

Resource Type	Gold Cut-off (g/t gold)	Category	Tonnes (Rounded)	Grade (g/t gold)	Gold Troy Ounces (Rounded)
Open Pit	0.45	Measured	7,680,000	2.76	681,000
		Indicated	7,988,000	2.89	741,000
		<b>Measured + Indicated</b>	<b>15,668,000</b>	<b>2.82</b>	<b>1,422,000</b>
		Inferred	975,000	2.11	66,000
Underground	2.40	Measured	1,576,000	7.45	377,000
		Indicated	4,350,000	5.59	782,000
		<b>Measured + Indicated</b>	<b>5,925,000</b>	<b>6.09</b>	<b>1,159,000</b>
		Inferred	2,206,000	5.89	418,000
<b>Combined Open Pit and Underground*</b>	<b>0.45 and 2.40</b>	Measured	9,255,000	3.56	1,058,000
		Indicated	12,338,000	3.84	1,523,000
		<b>Measured + Indicated</b>	<b>21,593,000</b>	<b>3.72</b>	<b>2,581,000</b>
		<b>Inferred</b>	<b>3,181,000</b>	<b>4.73</b>	<b>484,000</b>

\* Combined Open Pit and Underground Mineral Resources; The Open Pit Mineral Resource is based on a 0.45 g/t gold cut-off grade, and the Underground Mineral Resource is based on 2.40 g/t gold cut-off grade.

*Mineral Resource Estimate Notes*

1. Mineral Resources were prepared in accordance with NI 43-101 and the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019). Mineral Resources that are not mineral reserves do not have demonstrated economic viability. This estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
2. Mineral Resources are inclusive of Mineral Reserves.
3. Open Pit Mineral Resources are reported at a cut-off grade of 0.45 g/t gold that is based on a gold price of C\$2,000/oz (~US\$1,600/oz) and a metallurgical recovery factor of 89% around cut-off as calculated from  $((\text{GRADE} - (0.0262 * \text{LN}(\text{GRADE}) + 0.0712)) / \text{GRADE} * 100) - 0.083$ .
4. Underground Mineral Resource is reported at a cut-off grade of 2.60 g/t gold that is based on a gold price of C\$2,000/oz (~US\$1,600/oz) and a gold processing recovery factor of 97%.
5. Assays were variably capped on a wireframe-by-wireframe basis.
6. Specific gravity was applied using weighted averages to each individual wireframe.
7. Effective date of the Mineral Resource Estimate is November 15, 2021.
8. All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.
9. Excludes unclassified mineralization located within mined out areas.
10. Reported from within a mineralization envelope accounting for mineral continuity.

The Mineral Resource was prepared by Independent Qualified Person, Glen Kuntz, P. Geo. of Nordmin Engineering Ltd. of Thunder Bay, Ontario, an "Independent Qualified Person" as defined under National Instrument 43-101 Standard for Disclosure for Mineral Projects. The effective date of this Mineral Resource is November 15, 2021 and includes historical diamond drilling as well as 55,803 metres of drilling conducted by Signal Gold up to November 2021.

On January 20, 2022, the Company announced a maiden open pit Mineral Reserve Estimate ("Mineral Reserve") prepared in accordance with NI 43-101 for Goldboro, with an effective date of December 15, 2021 as outlined in a technical report, entitled "NI 43-101 Technical Report and Feasibility Study for the Goldboro Gold Project, Eastern Goldfields District, Nova Scotia". The Mineral Reserve was prepared by Independent Qualified Person, Joanne Robinson, P.Eng., of Nordmin.

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

Category	Area	Cut-off Grade (g/t gold)	Tonnes (t)	Diluted Grade (g/t gold)	Contained Gold Metal (Troy ounces)
Probable Mineral Reserve	East Pit	0.45 g/t	5,468,300	2.54	446,000
Probable Mineral Reserve	West Pit	0.45 g/t	10,330,600	2.12	704,200
	<b>Total</b>	<b>0.45 g/t</b>	<b>15,798,900</b>	<b>2.26</b>	<b>1,150,200</b>

*Mineral Reserve Estimate Notes*

1. *Mineral Reserves were prepared in accordance with NI 43-101 and the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019). This estimate of Mineral Reserves may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.*
2. *The Effective Date of the Mineral Reserves Estimate is December 15, 2021.*
3. *The Mineral Reserve Estimate is based metallurgical recovery algorithms which result in an overall average recovery of 95.8%.*
4. *Metal prices are set at US\$1,600/oz gold with an exchange rate assumption of 1US\$:1.25C\$ resulting in C\$2,000/oz*
5. *The Mineral Reserve was derived from a pit limit analysis and detailed pit design. A cut-off grade of 0.45 g/t gold was based on parameters described in Table 3.*
6. *The Mineral Reserve Estimate incorporates mining dilution and mining loss assumptions through regularization of block size to 2mx2mx4m. An additional 5% mining loss assumption was incorporated. The overall impact is approximately 26% additional tonnes and approximately 8% reduction in contained gold.*

➤ **Goldboro Exploration**

During the winter and spring of 2022, the Company completed an infill drill program, consisting of 3,865 metres in 31 diamond drill holes at Goldboro. The drilling program was conducted to aid in the conversion of Inferred Mineral Resources within the East Goldbrook Pit into Indicated Mineral Resources. The existing constrained open pits outlined in the Phase 1 Open Pit Feasibility Study were designed using only Measured and Indicated Resources, however they captured 975,000 tonnes of Inferred Mineral Resources at a grade of 2.11 g/t gold mainly in the East Goldboro Pit. This represents an opportunity to positively impact Project economics by upgrading these Inferred Mineral Resources which are currently accounted for as waste tonnes.

Selected composited highlights from the Infill Drill Program include:

- 18.71 g/t gold over 2.5 metres (13.5 to 16.0 metres) including 85.30 g/t gold over 0.5 metres in diamond drill hole BR-22-354;
- 11.40 g/t gold over 3.0 metres (34.8 to 37.8 metres) including 60.50 g/t gold over 0.5 metres in diamond drill hole BR-22-345;
- 33.82 g/t gold over 1.2 metres (48.4 to 49.6 metres) in diamond drill hole BR-22-358;
- 1.36 g/t gold over 8.7 metres (20.3 to 29.0 metres) in diamond drill hole BR-22-349; and
- 3.91 g/t gold over 3.0 metres (169.0 to 172.0 metres) in diamond drill hole BR-22-370.

In June 2022, the Company initiated a 50-line kilometre IP geophysical survey covering the existing Mineral Resource at the Goldboro Deposit as well as the area west of the Goldboro Deposit for approximately two kilometres. The survey follows an existing VLF geophysical survey which passes through the Goldboro Deposit and continues west along strike to the past producing Dolliver Mountain gold mine.

## SIGNAL GOLD INC. Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS

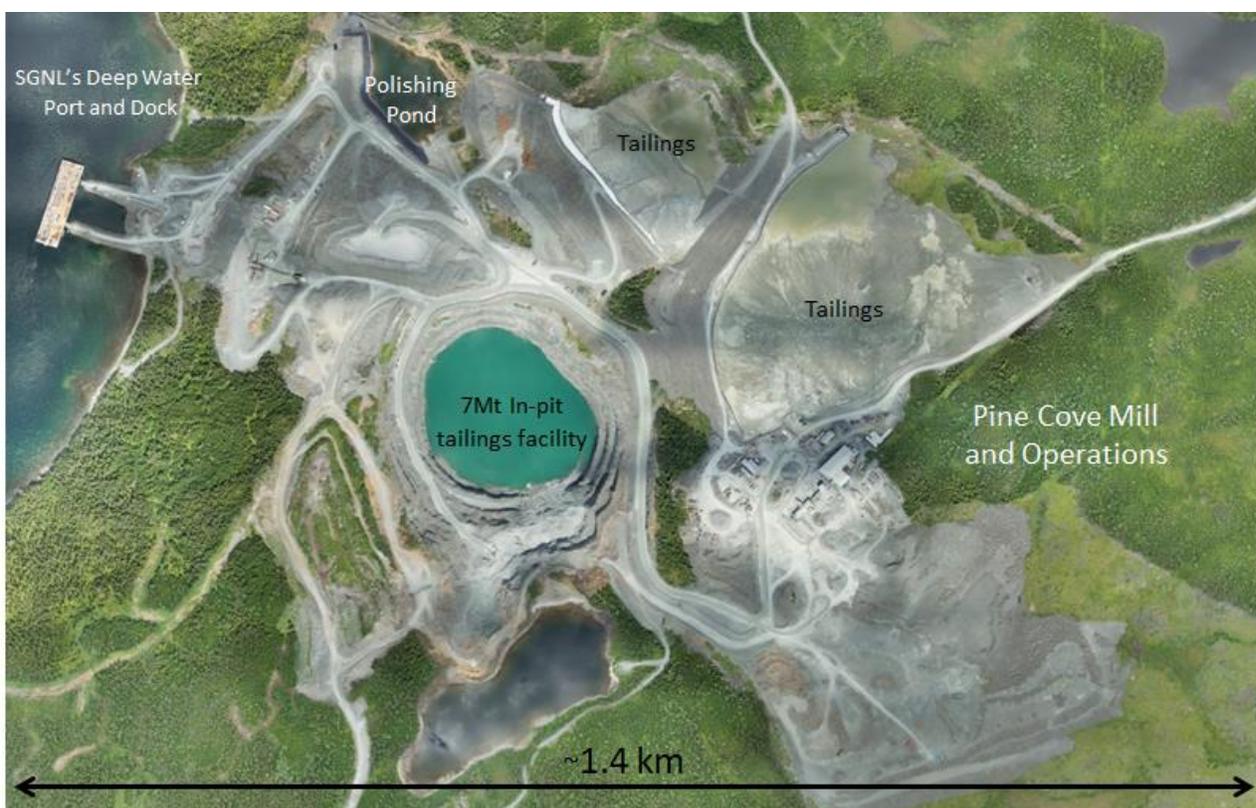
---

### BAIE VERTE MINING DISTRICT, NEWFOUNDLAND

The Baie Verte Mining District in north-central part of Newfoundland is a prolific mining camp for gold deposits, hosting five known gold deposits and home to two past producing high-grade gold mines at Nugget Pond and Hammerdown. The Baie Verte Mining District is the location of two of the company's key projects – the Point Rouse Operation and the Tilt Cove Gold Project.

#### ➤ The Point Rouse Operation

The Company owns 100% of the Point Rouse Operation which is situated within the larger Baie Verte Peninsula and comprises the Argyle Gold Mine, the Stog'er Tight deposit, the fully permitted Pine Cove Mill, an in-pit tailings facility, and a deep-water port. The Pine Cove Mill is capable of processing approximately 450,000 tonnes of ore annually based on throughput of approximately 1,300 tonnes per day. As the owner of the only operating gold mine in Newfoundland, Signal Gold has developed a unique advantage from its excellent infrastructure and experienced local workforce. As a result, the Company is positioned to fast-track discoveries of gold resources through development and into production.



#### ➤ Stog'er Tight

For Stog'er Tight, the Company is finalizing internal pit designs in anticipation of a potential development scenario; the Company has now received tree cutting and Crown Land permits and is in the process of finalizing the Mining Lease and development and rehabilitation and closure plans. Baseline studies to support an enhanced registration document were initiated in the spring of 2021. These studies have included avifauna, bat, and rare plant surveys, as well as fish and fish habitat assessments and surface and groundwater monitoring. Fish and fish habitat data will be used to support the development of a Fisheries Act Authorization application and a fish habitat offsetting plan, which are expected to be submitted in Q3 2022.

On October 19, 2021, the Company announced an updated Mineral Resource prepared in accordance with NI 43-101 for the Stog'er Tight Deposit, with an effective date of September 1, 2021. The Mineral Resource is based on validated results

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

of 690 surface drill holes (506 diamond drill holes and 184 percussive drill holes), for a total of 37,584 metres of diamond drilling that was completed between 1988 and the effective date of September 1, 2021.

**Mineral Resource Statement for the Stog'er Tight Deposit**

Resource Type	Au Cut-off (g/t)	Category	Tonnes (Rounded)	Au (g/t)	Troy Ounces (Rounded)
Open Pit	0.59	Indicated	642,000	3.02	62,300
		Inferred	53,000	5.63	9,600

*Mineral Resource Estimate Notes*

1. Mineral Resources were prepared in accordance with NI 43-101 and the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019). Mineral Resources that are not mineral reserves do not have demonstrated economic viability. This estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
2. Open Pit Mineral Resources are reported at a cut-off grade of 0.59 g/t gold that is based on a gold price of CAD\$2,000/oz (~US\$1,550/oz) and a gold processing recovery factor of 87%.
3. Assays were variably capped on the basis of the three Domain types Flat, Steep and Background.
4. SG was applied on a lithological basis after calculating weighted averages based on lithological groups.
5. Mineral Resource effective date September 1, 2021.
6. All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.
7. Reported from within a mineralization envelope accounting for mineral continuity.
8. Excludes unclassified mineralization located within mined out areas.

The Mineral Resource was prepared by Independent Qualified Person, Glen Kuntz, P. Geo. of Nordmin Engineering Ltd. of Thunder Bay, Ontario, an "Independent Qualified Person" as defined under National Instrument 43-101 Standard for Disclosure for Mineral Projects. The effective date of this Mineral Resource is September 1, 2021 and includes a total of 37,584 metres of diamond drilling that was completed between 1988 and 2021.

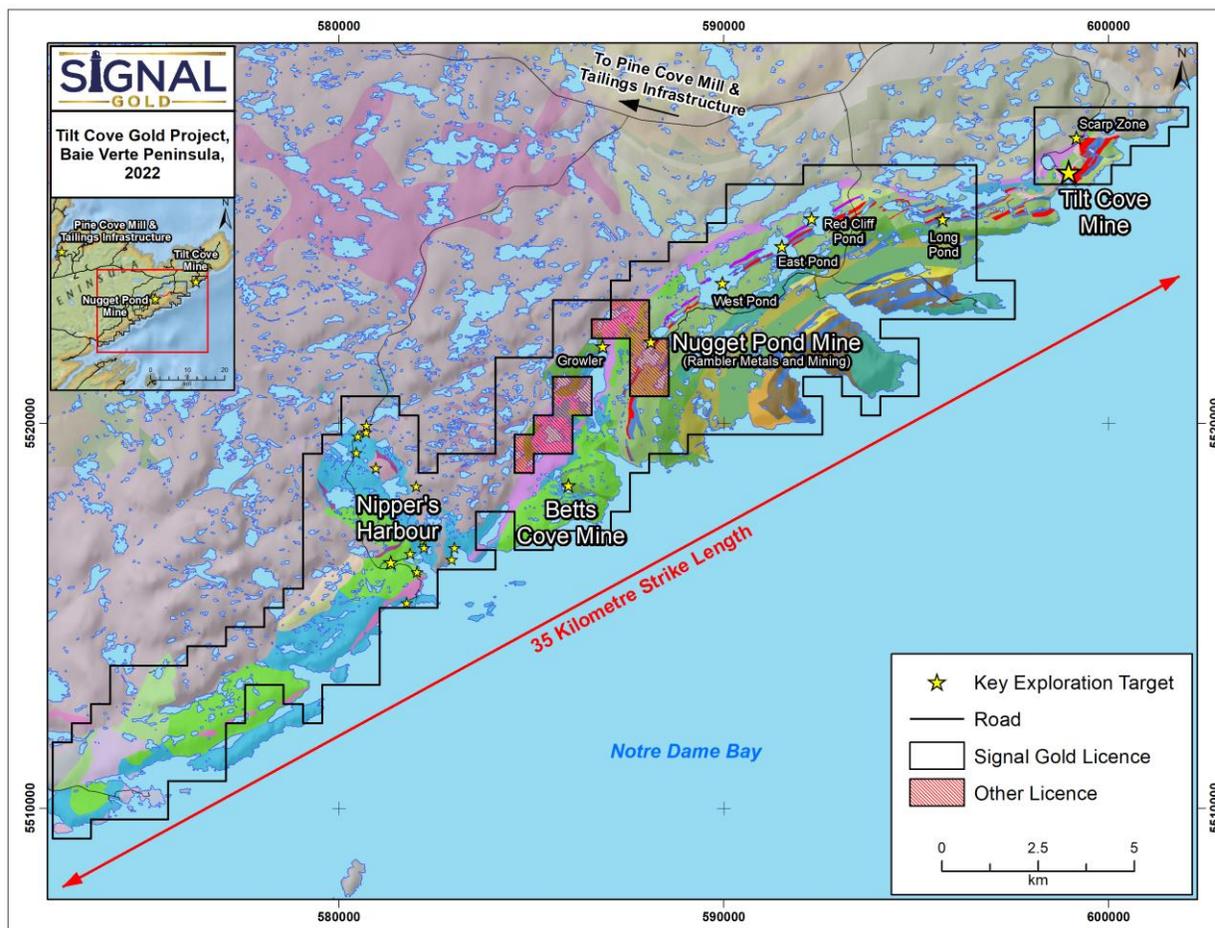
➤ **Exploration Upside**

In March 2022, the Company announced the results of 4,685 metres of drilling at Point Rouse, which **included 2.09 g/t gold over 5.7 metres (85.0 to 90.7 metres) including 9.80 g/t gold over 0.5 metres** in drill hole CS-21-004 and **1.38 g/t gold over 5.7 metres (18.9 to 24.6 metres)** in drill hole DC-21-158. Gold mineralization was intersected in multiple holes within the Deer Cove Trend, and drill holes at the Corkscrew and Big Bear targets identified two new mineralized systems within the Goldenville Trend. Data from the IP geophysical survey as well as geological mapping indicates these mineralized trends at Corkscrew and Big Bear may continue for hundreds of metres along strike and down-dip. The exploration program also included the completion of 90 line-kilometres of a ground IP geophysical survey designed to define further drill targets that were tested with the drill program. All targets have the potential to continue to extend the mine life at the Point Rouse operation and are all within nine kilometres of the Pine Cove Mill and tailings facility.

In July 2022, the Company announced the results of 4,222 metres of drilling at Point Rouse, which included 29 drill holes testing five main exploration targets, with drill holes at the Corkscrew and Big Bear targets continuing to demonstrate the presence of a strong gold mineralized system within the Goldenville Trend. Highlights of the drilling included 0.91 g/t gold over 17.0 metres (54.0 to 71.0 metres) including 5.18 g/t gold over 1.0 metres in drill hold CS-21-005 and 1.49 g/t gold over 3.8 metres (134.2 to 138.0 metres) in drill hole BB-22-003. A review of the data generated during the drill program including the recently completed 90 line-kilometre IP geophysical survey, as well as previous exploration data, has led to the identification of further high-priority exploration targets at Point Rouse, including the Pumbly Point, Corkscrew-Big Bear, Iron Formation, Animal Pond, Corkscrew Road and Goldenville targets. Several of the targets (e.g., Iron Formation, Pumbly Point, Corkscrew Road) were previously identified but not fully tested in the winter of 2022 due to early onset of spring conditions. Several of these targets are associated with the Goldenville Horizon, a suite of rocks that are equivalent to the Nugget Pond Horizon which hosted the historical Nugget Pond Mine. These targets have the potential to host high-grade gold systems analogous to Nugget Pond and demonstrate the continued potential to extend the mine life of the Point Rouse operation.

➤ **Significant Exploration Potential – The Tilt Cove Gold Project**

The Tilt Cove Gold Project is an exploration-stage gold-copper project located within the Baie Verte Mining District, near the community of La Scie, Newfoundland, approximately 45 kilometres by road from the Company’s Pine Cove Mill. Signal Gold has consolidated more than 11,000 hectares of prospective mineral lands and 35 kilometres of high-potential strike length including the Nugget Pond Horizon, a geological unit that hosts the past producing, high-grade Nugget Pond Mine.



In January 2022, the Company commenced a winter exploration program which consisted of a 60.8-line-kilometre ground IP geophysical survey, 2,198 metres of diamond drilling, and till sampling near West Pond. The IP geophysical survey was designed to locate anomalies analogous to the Nugget Pond Deposit to depths down to 250 metres, which have not been previously investigated at Tilt Cove. The survey covered a 6.5-kilometre long section of the Nugget Pond Horizon and adjacent prospective rocks from West Pond to Long Pond. The IP survey has led to the identification of 11 new priority drill targets ranging from 300 to 1,800 metres in length associated with high IP chargeability signatures, geochemical gold anomalies and favourable stratigraphy such as the Nugget Pond Horizon, Red Cliff Horizon, as well as the Betts Cove Ophiolite Complex and Cape St. John Group in proximity to their shared structurally modified contacts.

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

**Liquidity and Capital Resources**

Signal Gold manages its liquidity by generating cash flows from the Point Rousse operations, funding capital and growth expenditures with equipment leases and term loans, and raising funds through the issuance of equity (including flow-through financing) to support growth projects. The Company's primary uses of cash include the development of Goldboro, operating and sustaining expenditures at Point Rousse, exploration expenditures, and corporate expenses.

<i>(In \$)</i>	<b>June 30, 2022</b>	December 31, 2021
Cash and cash equivalents	<b>10,942,097</b>	10,121,724
Inventory	<b>6,442,940</b>	5,641,435
Other current assets	<b>1,083,768</b>	2,080,035
<b>Current assets</b>	<b>18,468,805</b>	17,843,194
Trade and other payables	<b>9,066,138</b>	9,528,294
Current portion of loans	<b>10,455,874</b>	1,363,383
Unearned revenue	-	5,000,000
Other current liabilities	<b>461,905</b>	554,404
<b>Current liabilities</b>	<b>19,983,917</b>	16,446,081
<b>Working capital (deficit)*</b>	<b>(1,515,112)</b>	1,397,113

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

As at June 30, 2022, the Company had a working capital deficit\* of \$1,515,112, which included cash and cash equivalents of \$10,942,097. The current portion of loans includes the US\$8,000,000 Promissory Note with Auramet. The Note is due on May 5, 2023 and the Company may repay the Note from time to time, in minimum incremental amounts of US\$1,000,000, either in whole or in part, subject to any accrued interest. The Note was subject to an original issue discount fee of 2.5%, which was deducted from the principal amount of the Note advanced to the Company. Interest accrues on the unpaid principal amount at the rate of 8% per annum plus the greater of (i) 90 Day US\$ SOFR (Secured Overnight Financing Rate), and (ii) 1.00% per annum payable quarterly in arrears. The decrease in unearned revenue reflects the scheduled delivery of ounces over the first quarter of 2022 relating to a gold prepayment facility with Auramet, along with the repayment of the remaining ounces with the proceeds of the loan facility.

The Company's ability to continue operations in the normal course of business is dependent upon establishing sufficient operating cash flows from the Argyle mine and, to the extent required, through access to equity and debt markets. In June 2022, Signal Gold completed a non-brokered private placement for aggregate gross proceeds of \$5,999,776 to fund the ongoing permitting and development activities at the Goldboro Gold Project.

As at the date of this MD&A, the Company currently maintains a \$3,000,000 revolving credit facility, a \$1,000,000 revolving demand facility, and a \$750,000 revolving equipment lease line of credit with Royal Bank of Canada ("RBC"). Under the terms of these credit facilities, RBC maintains a first-ranking general security agreement including a specific security interest in the Company's ball mill and cone crushers. During 2020, the Company drew on its revolving demand facility in the form of an irrevocable letter of credit from RBC to use as collateral to support the Company's surety bonds that backstop its performance obligations with respect to the Company's reclamation obligations. Under the terms of the surety bonds, the Company has provided collateral of \$908,119, equivalent to 25% of the value of the bonds. As of June 30, 2022, there was an outstanding balance of \$908,119 on the revolving demand facility. As at the date of this MD&A, there was no outstanding balance on the revolving equipment lease line of credit and the revolving credit facility remained undrawn.

**Cash Flow Analysis**

Signal Gold used \$2,815,147 in operating cash flows during the three months ended June 30, 2022, after accounting for corporate administration costs of \$1,312,727. The Point Rousse Project generated EBITDA\* of \$4,242,836, based on gold sales of 4,098 ounces at an average gold price of C\$2,357 per ounce sold\* and operating cash costs of C\$1,318 per ounce

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

sold\*. Operating cash flows were also impacted by changes in working capital, namely the decrease in accounts payable and a decrease in unearned revenue.

The Company continued to invest in its key growth projects in Nova Scotia and Newfoundland in Q2 2022, spending \$4,330,645 on exploration and evaluation assets (adjusted for amounts included in trade payables and accruals as of June 30, 2022), with \$2,499,443 relating to the advancement of the Goldboro Gold Project. The Company also invested \$814,649 into the property, mill and equipment at the Point Rousse operation during Q2 2022.

Financing activities during Q2 2022 included \$5,713,754 in net proceeds from the private placement completed in June 2022, proceeds of \$10,257,600 (US\$8,000,000) from a promissory note with Auramet, less transaction costs of \$330,158, \$93,800 from the exercise of stock options, and the ongoing repayment of loans and lease obligations, including the final repayments of the RBC \$5,000,000 term loan.

\* Refer to Non-IFRS Measures Section below.

**Commitments**

As of June 30, 2022, the Company has the following contractual obligations:

	1 year	1 - 3 years	More than 3 years	Total
	\$	\$	\$	\$
Trade payables and accrued liabilities	9,066,138	-	-	<b>9,066,138</b>
Promissory Note	10,029,231	-	-	<b>10,029,231</b>
Lease liabilities	198,554	181,042	31,722	<b>411,318</b>
Other loans	228,089	-	-	<b>228,089</b>
Flow-through commitment	3,038,238	-	-	<b>3,038,238</b>
Interest payable	15,962	6,022	875	<b>22,859</b>
	<b>22,576,212</b>	<b>187,064</b>	<b>32,597</b>	<b>22,795,873</b>

As of June 30, 2022, the Company has a commitment to spend \$3,038,238 of flow-through funds on eligible exploration expenses, related to the private placements completed in May 2021 and June 2022.

In the second quarter of 2022, the Company locked into forward sales on a delivery basis for a total of 100 ounces of its production for the third quarter of 2022. The gold price for the orders was locked in at an average of \$2,400 per ounce with delivery in the third quarter of 2022.

The Company has royalty obligations on its various mineral properties as follows:

- A \$3,000,000 capped NSR on four mineral exploration licenses in the Point Rousse Project, which forms part of the Argyle and Stog'er Tight properties, is calculated at 3% when the average price of gold is less than US\$2,000 per ounce for the calendar quarter and is 4% when the average price of gold is more than US\$2,000 per ounce for the calendar quarter.
- A \$3,000,000 capped NSR of 3% on a property that forms part of the Argyle property. Once the aggregate limit has been met and 200,000 ounces of gold has been sold from the property, the NSR decreases to 1%.
- A net smelter return ("NSR") of 3% is payable to a third-party on gold sold on a property that forms part of the Stog'er Tight property.
- A net profits interest ("NPI") agreement over the Point Rousse Mining Leases with Royal Gold Inc. whereby the Company is required to pay Royal Gold Inc. 7.5% of net profits, calculated as the gross receipts generated from the claims less all cumulative development and operating expenses. At June 30, 2022, the Company has determined it has approximately \$16 million in expenditures deductible against future receipts.

The Company also has royalties payable to various vendors of mineral leases located outside the currently anticipated mining areas.

## SIGNAL GOLD INC. Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS

---

### Off-Balance Sheet Items

---

As of June 30, 2022, the Company did not have any off-balance sheet items, except for an irrevocable letter of credit from the Royal Bank of Canada in the amount of \$908,119 which was issued as collateral against the Company's surety bonds with respect to its reclamation obligations (equivalent to 25% of the value of surety bonds).

### Outstanding Share and Equity Instrument Information

---

The Company's share capital and equity instruments outstanding are comprised of the following:

	June 30, 2022	December 31, 2021
<b>Authorized:</b> Unlimited number of common shares		
<b>Issued:</b> Fully paid common shares	193,683,188	180,306,657
<b>Issued:</b> Warrants	5,861,337	-
<b>Issued:</b> Stock options	2,158,334	2,489,584
<b>Issued:</b> Share units	2,216,065	1,750,798

---

As at the date of this MD&A, the fully paid common shares outstanding of Signal Gold was 193,683,188.

The terms and details of the Company's equity incentive plans, including the stock options plan and share unit plan, are outlined in the Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2022.

### Financial Instruments Risk Exposure

---

The Company is exposed to financial risks sensitive to changes in commodity prices, foreign exchange, and interest rates. The Company's Board of Directors has overall responsibility for risk management oversight. Similarly, derivative financial instruments are not currently used to reduce these financial risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### **Credit Risk**

The Company's credit risk is primarily attributable to trade and other amounts receivable, which consist primarily of goods and services tax due from the Federal Government of Canada. The maximum exposure of credit risk is best represented by the carrying amount of the financial instruments. The Company considers credit risk negligible.

The Company's cash and restricted cash are held with an established Tier-1 Canadian financial institution, and consequently management believes that the credit risk with respect to this financial instrument is low and that the Company has no significant concentration of credit risk arising from operations.

#### **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with its financial liabilities as they become due (refer to the Company's going concern disclosure in note 1 of the condensed interim consolidated financial statements for the three and six months ended June 30, 2022). The Company monitors the expected settlement of financial assets and liabilities on an ongoing basis. The Company undergoes an in-depth budgeting process each year which is supplemented by a continuous detailed cash forecasting process. Signal Gold currently funds its obligations from the cash flow generated by the Point Rousse Project. If necessary, the Company may seek financing for capital projects or general working capital purposes. The success of any financing, if required, will depend on several unpredictable factors which are often beyond the control of the Company, such as the market price of gold and general market sentiment towards the mining sector.

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

At June 30, 2022, the carrying value and fair value amounts of the Company's financial instruments are approximately equal.

**Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements ("price risk").

*Foreign Currency Risk*

The Company's functional currency is the Canadian Dollar. The Company sells its gold production and transacts business using the Canadian Dollar.

The Company is exposed to foreign currency risk with respect to its US\$8,000,000 loan facility with Auramet and with regards to its US dollar bank accounts. There are minimal operational expenses incurred by the Company in US dollars. The assets and liabilities of the Company are recorded in Canadian dollars. The Company reviews its foreign currency risk exposure periodically, giving consideration to alternative financial investments.

*Interest Rate Risk*

The Company has no interest-bearing assets and variable-interest debts with the exception of the Auramet loan facility. Signal Gold invests excess cash, when available, in a cashable money market account. The Company reviews its interest rate exposure periodically, giving consideration to potential renewals of existing positions and alternative financial investments.

*Commodity price risk*

Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company is exposed to commodity price risk with respect to gold prices. The Company closely monitors gold prices to determine the appropriate course of action to be taken by the Company.

**Quarterly Information**

<i>(\$ thousands unless otherwise stated)</i>	<b>Q2 2022</b>	<b>Q1 2022</b>	<b>Q4 2021</b>	<b>Q3 2021</b>	<b>Q2 2021</b>	<b>Q1 2021</b>	<b>Q4 2020</b>	<b>Q3 2020</b>
Revenue	9,662	8,020	7,643	5,855	6,940	7,360	9,988	12,704
Mine operating income (loss)	2,116	(2,053)	232	(390)	(1,277)	(1,302)	3,596	7,163
Net income (loss)	(330)	(3,549)	(1,358)	(1,079)	(2,202)	(2,497)	792	3,983
Net income (loss) per share (basic and diluted) ( <i>\$ per share</i> )	(0.00)	(0.02)	(0.01)	(0.01)	(0.01)	(0.02)	0.01	0.03
Cash flow from operations	(2,815)	(1,114)	5,519	251	(1,818)	536	2,080	6,184
Total assets	101,817	92,298	95,551	89,145	87,229	83,469	81,397	77,257
Non-current liabilities	8,680	8,331	8,236	7,645	7,023	7,084	7,530	5,778

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

---

**Related Party Transactions**

---

**Remuneration of Key Management and Transactions with Related Parties**

Key management personnel include the members of the Board of Directors, the President and Chief Executive Officer, and the Chief Financial Officer. Compensation of key management personnel (including directors) for the reporting period was as follows:

	<b>Three months ended June 30, 2022</b>	Three months ended June 30, 2021	<b>Six months ended June 30, 2022</b>	Six months ended June 30, 2021
Salaries, bonuses, fees and short-term benefits (\$)	<b>223,277</b>	173,754	<b>428,603</b>	325,345
Share-based compensation (\$)	<b>97,864</b>	18,500	<b>161,070</b>	79,164
	<b>321,141</b>	192,254	<b>589,673</b>	404,509

As at June 30, 2022, included in trade and other payables is \$52,734 (December 31, 2021 - \$112,250) of amounts due for directors' fees, bonuses, and severance payments.

**Magna Terra Minerals Inc.**

The Company and Magna Terra have certain key management personnel in common. As described in note 11 of the condensed interim consolidated financial statements, the Company completed a transaction with Magna Terra on July 30, 2020, whereby Magna Terra acquired all of the issued and outstanding common shares of the Company's wholly-owned subsidiary, ExploreCo. The Company and Magna Terra have entered into a service level agreement whereby the Company provides certain services to Magna Terra, including technical geology services and exploration program management, corporate services, and finance and accounting support. As at June 30, 2022, included in trade and other receivables is \$92,129 (December 31, 2021 - \$57,426) of amounts charged under the service level agreement, which was received subsequent to period end and prior to the date of this MD&A.

**Non-IFRS Measures**

---

Signal Gold has included in this MD&A 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.

*Operating Cash Costs per Ounce of Gold* – Signal Gold calculates operating cash costs per ounce sold by dividing operating expenses per the consolidated statement of comprehensive income (loss), net of silver sales by-product revenue, by the gold ounces sold during the applicable period. Operating expenses include mine site operating costs such as mining, processing and administration as well as royalties, however excludes depletion and depreciation and rehabilitation costs.

*All-In Sustaining Costs per Ounce of Gold* – Signal Gold has adopted an all-in sustaining cost performance measure that reflects all of the expenditures that are required to produce an ounce of gold from current operations. While there is no standardized meaning of the measure across the industry, the Company's definition conforms to the all-in sustaining cost definition as set out by the World Gold Council in its guidance dated June 27, 2013. The World Gold Council is a non-regulatory, non-profit organization established in 1987 whose members include global senior mining companies. The Company believes that this measure will be useful to external users in assessing operating performance and the ability to generate free cash flow from current operations.

The Company defines all-in sustaining costs as the sum of operating cash costs (per above), sustaining capital (capital required to maintain current operations at existing levels), corporate administration costs, sustaining exploration, and

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

rehabilitation accretion and amortization related to current operations. All-in sustaining costs excludes capital expenditures for significant improvements at existing operations deemed to be expansionary in nature, exploration and evaluation related to growth projects, financing costs, debt repayments, and taxes. Canadian and US dollars are noted for realized gold price, operating cash costs per ounce of gold and all-in sustaining costs per ounce of gold. Both currencies are considered relevant and the Company uses the average foreign exchange rate for the period.

The operating cash costs per ounce and all-in sustaining costs per ounce are reconciled to the condensed interim consolidated statements of comprehensive loss as follows:

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Operating expenses per the consolidated statement of comprehensive income, including royalties	5,406,298	6,772,610	14,249,184	14,880,226
By-product silver sales credit	(5,309)	(5,405)	(10,238)	(12,025)
<b>Operating cash costs (\$)</b>	<b>5,400,989</b>	6,767,205	<b>14,238,946</b>	14,868,201
Sustaining expenditures – property, mill and equipment	814,649	1,519,300	2,712,136	2,305,469
Sustaining expenditures – exploration and evaluation	63,530	574,201	746,272	1,336,609
Corporate administration costs	1,312,727	841,643	2,571,636	1,792,731
Share-based compensation	206,455	275,135	348,547	428,784
Rehabilitation – accretion and amortization (operating)	35,216	7,921	54,974	6,573
<b>All-in sustaining cash costs (“AISC”) (\$)</b>	<b>7,833,566</b>	9,985,405	<b>20,672,511</b>	20,738,367
Gold ounces sold	4,098	3,156	7,589	6,275
<b>Operating cash costs per ounce sold (\$ / ounce)</b>	<b>1,318</b>	2,144	<b>1,876</b>	2,369
<b>AISC per ounce sold (\$ / ounce)</b>	<b>1,912</b>	3,164	<b>2,724</b>	3,305
Average US Dollar exchange rate during period	0.7834	0.8144	0.7866	0.8023
<b>Operating cash costs per ounce sold (US\$ / ounce)</b>	<b>1,032</b>	1,746	<b>1,476</b>	1,901
<b>AISC per ounce sold (US\$ / ounce)</b>	<b>1,498</b>	2,577	<b>2,143</b>	2,652

*Average Realized Gold Price per Ounce Sold* – In the gold mining industry, average realized gold price per ounce sold is a common performance measure that does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is gold revenue. The measure is intended to assist readers in evaluating the revenue received in a period from each ounce of gold sold.

Average realized gold price per ounce sold is reconciled to the condensed interim consolidated statements of comprehensive loss as follows:

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Gold revenue (\$)	9,657,088	6,934,599	17,672,462	14,287,887
Gold ounces sold	4,098	3,156	7,589	6,275
<b>Average realized gold price per ounce sold (\$)</b>	<b>2,357</b>	2,197	<b>2,329</b>	2,277
Average US Dollar exchange rate during period	0.7834	0.8144	0.7866	0.8023
<b>Average realized gold price per ounce sold (US\$)</b>	<b>1,846</b>	1,789	<b>1,832</b>	1,827

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

*Earnings before Interest, Taxes, Depreciation and Amortization (“EBITDA”)* - EBITDA is earnings before transaction costs, finance expense, current and deferred income tax expense and depletion and depreciation.

Point Rousse Project EBITDA is EBITDA before corporate administration, share-based compensation, deferred premium on flow-through shares, and all other expenses and other income.

The EBITDA and Point Rousse Project EBITDA amounts are reconciled to the condensed interim consolidated statements of comprehensive loss as follows:

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Net income (loss), per the consolidated statement of comprehensive income (loss)	<b>(330,902)</b>	(2,202,251)	<b>(3,880,526)</b>	(4,699,101)
Adjustments:				
Finance expense	<b>549,089</b>	39,708	<b>663,409</b>	83,806
Current income tax expense	-	-	-	30,345
Deferred income tax expense (recovery)	<b>506,000</b>	(203,000)	<b>817,000</b>	(252,000)
Depletion and depreciation	<b>2,139,153</b>	1,444,037	<b>3,369,862</b>	1,997,958
<b>EBITDA</b>	<b>2,863,340</b>	(921,506)	<b>969,745</b>	(2,838,992)
Corporate administration	<b>1,312,727</b>	841,643	<b>2,571,636</b>	1,792,731
Gain on revaluation of investments	-	-	<b>(326,973)</b>	-
Share of loss from equity accounted investments	<b>15,034</b>	41,609	<b>51,677</b>	238,127
Stock-based compensation	<b>206,455</b>	275,135	<b>348,547</b>	428,784
Deferred premium on flow-through shares	<b>(164,801)</b>	(91,652)	<b>(344,519)</b>	(233,713)
Other expenses (income)	<b>10,081</b>	(7,910)	<b>138,772</b>	(16,481)
<b>Point Rousse Project EBITDA</b>	<b>4,242,836</b>	137,319	<b>3,408,885</b>	(629,544)

*Working Capital* – Working capital is a common measure of near-term liquidity and is calculated by deducting current liabilities from current assets. Working capital is reconciled to the amounts in the condensed interim consolidated statements of financial position in the Liquidity and Capital Resources section of this MD&A.

**Risk Factors**

The exploration, development and mining of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Signal Gold is subject to several financial and operational risks that could have a significant impact on its cash flows and profitability. The most significant risks and uncertainties faced by the Company include: the ability to obtain or generate additional funding for development and exploration; the fluctuating price of gold; success of exploration, development and operations activities; health, safety and environmental risks and hazards; uncertainty in the estimation of mineral reserves and mineral resources; replacement of depleted mineral reserves; the potential of production and cost overruns; risks relating to obtaining and maintaining licenses and permits; obligations as a public company; risks relating to government and taxation regulation; volatility in the market price of the Company's securities; risks relating to title and indigenous relations and consultation; risks relating to the construction and development of new mines; limitations on insurance coverage; competition within the mining industry; currency exchange rates (such as the Canadian dollar versus the United States dollar); risks relating to potential litigation; and risks from potential conflicts of interest. Risk related to taxation exists with respect to tax audits and the interpretation of tax regulations by the responsible tax authority. Possible areas of tax audit and interpretation may include the Company's judgements in respect of qualifying

## SIGNAL GOLD INC. Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS

---

Canadian exploration expenses and the related tax deductions renounced to investors under flow-through common share financings.

The Company's ability to generate positive cash flow to generate returns and fund capital requirements and future growth and development is primarily dependent on the price of gold and the Company's ability to meet its production estimates at expected costs. The gold price is impacted by numerous macroeconomic factors outside of the Company's control, and a sustained decrease in the price of gold could impact the Company's profitability and financial position. Furthermore, actual production results may vary from Company estimates due to various factors, including but not limited to: mine dilution, lower than expected grades, recovery issues, power outages, weather related matters, or equipment and/or supply shortages. Lower than expected production could impact the Company's ability to generate cash flows to cover the cost of operations and fund sustainable capital expenditures. The Company mitigates the above risks by diligently tracking the gold price and production performance compared to forecast and budget and re-forecasting production plans accordingly so that required financial decisions can be made in a timely manner.

Readers are encouraged to read a full outline and description of the risk factors described in the Company's Annual Information Form ("AIF") for the year ended December 31, 2021 filed on SEDAR under the Signal Gold profile. The occurrence of any one, or combination of, the aforementioned risks could materially adversely impact the Company's business and as a result, the trading price of the Company's common shares could decline and investors could lose part or all of their investment.

### COVID-19 Pandemic

The 2019 novel strain of coronavirus causing a contagious respiratory disease known as COVID-19, which was declared a global pandemic by the World Health Organization on March 11, 2020, represents a material risk to the Company. If a significant portion of our workforce became unable to work due to illness or provincial or federal government restrictions, the Company may be forced to reduce or suspend operations, which could reduce production and limit exploration and development activities, and impact liquidity and financial results. Illnesses or government restrictions related to COVID-19 may also disrupt the supply of raw goods, equipment, supplies, and services upon which the Company's operations rely. The refinery upon which the Company relies to refine and process its gold doré are also subject to these risks and may be required to reduce or suspend operations, which could impact the Company's ability to sell its products and generate revenues.

To the extent the COVID-19 pandemic adversely affects the Company's business and financial results, it may also have the effect of heightening many of the other risks described in the Company's AIF, such as those relating to the Company's operation and indebtedness and financing. Because of the highly uncertain and dynamic nature of events relating to the COVID-19 pandemic, it is not currently possible to estimate the impact, if any, of the pandemic on the Company's business. However, these effects could have a material impact on operations, and the Company will continue to monitor the COVID-19 situation closely.

### Going Concern

---

For the three and six months ended June 30, 2022, the Company had a net loss of \$330,902 and \$3,880,526, respectively, and as at June 30, 2022, had a working capital deficit (current assets less current liabilities) of \$1,515,112 (December 31, 2021 – working capital of \$1,397,113). The deficit is mainly attributed to the impact of the cessation of mining due to a water management issue in the first half of 2022. As at June 30, 2022, the Company may have insufficient cash to fund its planned operations for the next twelve months. The Company's ability to continue operations in the normal course of business is dependent upon establishing sufficient operating cash flows from the Argyle mine, and to the extent required, through access to equity and debt markets, however there is no assurance that this will be successful. These factors indicate the existence of a material uncertainty that may impact the Company's ability to continue as a going concern.

In June 2022, Signal Gold completed a non-brokered private placement for aggregate gross proceeds of \$5,999,776 to finance its ongoing permitting and development activities at the Goldboro Gold Project. The Company has also returned to normal operations at the Argyle mine and is projecting to generate significant cash flows to support ongoing development at Point Rousse. The condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. The condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going

## **SIGNAL GOLD INC.**

### **Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

---

concern assumption was not appropriate. Should the Company be unable to generate sufficient cash flow from operations or financing activities, the carrying value of the Company's assets could be subject to material adjustments and other adjustments may be necessary to the condensed interim consolidated financial statements should such adverse events impair the Company's ability to continue as a going concern.

#### **Critical Accounting Estimates and Judgments**

---

The Company's significant accounting policies are described in Note 1 to the condensed interim consolidated financial statements for the three and six months ended June 30, 2022, and Note 2 to the audited annual consolidated financial statements for the year ended December 31, 2021. The preparation of the consolidated financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the consolidated financial statements and reported amounts of expenses during the reporting period. Such estimates and assumptions affect the carrying value of assets and are based on historical experience and other factors considered relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. For details of these estimates, assumptions and judgments, please refer Note 3 to the Company's consolidated financial statements for the year ended December 31, 2021, which are available on the Company's website and on SEDAR.

#### **COVID-19 Pandemic**

The 2019 novel coronavirus ("COVID-19") was characterized as a global pandemic by the World Health Organization on March 11, 2020. Point Rousse continues to operate and the Company's exploration programs are being executed, with robust health and safety protocols and policies in place. The Company continually reviews its policies and procedures based on recommendations from public health authorities.

The Company has assessed whether there are any impairment indicators for the Company's property, mill, and equipment assets and exploration and evaluation assets in relation to the COVID-19 pandemic and did not note any indicators as of June 30, 2022. Based on management's judgment, as at the date of this MD&A, there has been no impact from COVID-19 on the Company's estimates and assumptions that has resulted in the need to recognize any further impairment.

#### **Adoption of New Accounting Standards**

---

Certain new accounting standards and interpretations have been issued that are not mandatory for reporting periods ending June 30, 2022 and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

#### **Controls and Procedures**

---

##### **Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that all material information is gathered and reported to senior management, including the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") on a timely basis so that appropriate decisions can be made regarding public disclosure.

Signal Gold's management, including the CEO and CFO, have as at June 30, 2022, designed Disclosure Controls and Procedures (as defined in National Instrument N1 52-109 of the Canadian Securities Administrators), or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the issuer is made to them by others, especially in a period where public filings are being prepared; and information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

## SIGNAL GOLD INC. Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS

---

The Company's management, with the participation of the CEO and the CFO, has evaluated the design of the Company's disclosure controls and procedures as defined in *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Administrators* and has concluded that disclosure controls and procedures were effective as of June 30, 2022.

### Internal Control over Financial Reporting

Signal Gold's management, including the CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the CEO and CFO and effected by management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management used the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate the effectiveness of the Company's internal controls for the year ended December 31, 2021.

Based on this evaluation, management concluded that the internal control over financial reporting was operating effectively as of December 31, 2021, to provide reasonable assurance that the financial information is recorded, processed, summarized and reported in a timely manner.

### Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the three and six months ended June 30, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. ***Specifically, while the COVID-19 pandemic has resulted in certain changes to the Company's business with respect to social distancing and working remotely, this has not resulted in any material change to the Company's disclosure controls or internal controls over financial reporting.***

### Limitations of Controls and Procedures

Signal Gold's management, including the CEO and CFO, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed.

### Cautionary Statement

---

This MD&A 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 includes, but is not limited to, disclosure regarding the economics and project parameters presented in the Feasibility Study, including, without limitation, Mineral Resource and Mineral Reserve Estimates, IRR, operating cash costs, all-in sustaining costs, NPV and other costs and economic information, possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; information with respect to the Company's expected production from, and the further potential of, the Company's properties; the Company's ability to raise additional funds; the future price of minerals, particularly gold; the estimation of mineral resources and mineral reserves; conclusions of economic evaluations; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be

**SIGNAL GOLD INC.**  
**Q2 2022 MANAGEMENT DISCUSSION AND ANALYSIS**

---

achieved”. Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral resource and reserve mineral estimates and the realization of such estimates. Capital and operating cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors. Forward-looking information involves known and unknown risks, uncertainties and other factors which may 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 requirement for additional funding for development and exploration; the fluctuating price of gold; success of exploration, development and operations activities; health, safety and environmental risks and hazards; uncertainty in the estimation of mineral reserves and mineral resources; replacement of depleted mineral reserves; the potential of production and cost overruns; obligations as a public company; risks relating to government and taxation regulation; volatility in the market price of the Company’s securities; risks related to the COVID-19 pandemic; risks relating to title and indigenous consultation; risks relating to the construction and development of new mines; the availability of adequate infrastructure; limitations on insurance coverage; the prevalence of competition within the mining industry; currency exchange rates; risks relating to potential litigation; risks relating to the dependence of the Company on outside parties and key management personnel; risks in the event of a potential conflict of interest; and cyber security risks.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

---

**Technical Information**

---

Kevin Bullock, P. Eng., President and Chief Executive Officer, and David A. Copeland, P. Geo., Chief Exploration Geologist, each with Signal Gold., are “qualified person(s)” as such term is defined under National Instrument 43-101 – Standards of Disclosure for Mineral Projects and have reviewed and approved the scientific and technical information and data included this MD&A.