



Management Discussion and Analysis

For the three and nine month periods ended September 30, 2022 and September 30, 2021
(Expressed in Canadian Dollars)

SIGNAL GOLD INC.

Q3 2022 MANAGEMENT DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") dated October 31, 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 nine months ended September 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 nine months ended September 30, 2022 and September 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 nine months ended September 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.

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 and on the Company's website at 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.

Point Rouse Project Update

On October 25, 2022, Signal Gold provided an update on the future activities at its Point Rouse Project in Newfoundland and Labrador. As a result of the Company's primary focus on the development of its Goldboro Gold Project in Nova Scotia, the Company has decided it will not proceed with the development of the Stog'er Tight Deposit at this time. Accordingly, the Company has begun winding down current operations as it approaches the completion of mining at the Argyle Open Pit Mine, following which the site will be placed under a care and maintenance program. While the Company also announced a maiden Mineral Reserve Estimate for the Stog'er Tight Deposit, the current development plan entails operating and execution risk in a market with increased cost pressures and labour challenges that require further consideration. The Company will take the opportunity to review and optimize the Stog'er Tight mine plan to assess any future mining opportunities and will also review the exploration potential identified by a geophysical IP survey undertaken in early 2022. The Company is reaffirming its revised 2022 annual production guidance of 20,000 to 21,000 ounces of gold and expects the processing of Argyle ore to continue into early 2023.

Signal Gold is also considering other strategic alternatives to maximize the value of its Newfoundland assets. Those assets include valuable infrastructure at the Point Rouse operation, including the Pine Cove Mill, the only permitted gold processing facility in Newfoundland; a permitted in-pit tailings facility with long-term capacity; and a deep-water port adjacent to the processing complex. The Company also maintains ~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.

Corporate Update

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.

On May 5, 2022, the Company executed 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 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\$).

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Consolidated Results Summary

Financial Results	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Revenue (\$)	12,687,652	5,855,453	30,370,352	20,155,365
Cost of operations, including depletion and depreciation (\$)	11,636,510	6,245,043	29,255,556	23,123,227
Mine operating income (loss) (\$)	1,051,142	(389,590)	1,114,796	(2,967,862)
Net loss (\$)	(1,168,037)	(1,078,899)	(5,048,563)	(5,778,000)
Net loss per share (\$/share) – basic and diluted	(0.01)	(0.01)	(0.03)	(0.03)
Cash generated from (used in) operating activities (\$)	3,885,127	251,303	(44,395)	(1,030,618)
Capital investment in property, mill and equipment (\$)	313,097	3,125,994	3,025,233	5,431,463
Capital investment in exploration and evaluation assets	2,160,711	2,227,982	9,491,612	9,195,864
Average realized gold price per ounce*	US\$1,729	US\$1,779	US\$1,792	US\$1,812
Operating cash costs per ounce sold*	US\$1,108	US\$1,656	US\$1,320	US\$1,828
All-in sustaining cash costs per ounce sold*	US\$1,375	US\$3,158	US\$1,816	US\$2,799
		September 30, 2022	December 31, 2021	
Working capital (deficit)* (\$)		(325,104)		1,397,113
Total assets (\$)		101,713,519		95,551,004
Non-current liabilities (\$)		9,473,988		8,235,993

*Refer to Non-IFRS Measures section for reconciliation

Operational Results	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Ore mined (t)	92,729	18,047	235,987	106,762
Waste mined (t)	533,351	802,087	1,640,665	1,934,794
Strip ratio	5.8	44.4	7.0	18.1
Ore milled (t)	92,617	118,988	296,671	328,551
Grade (g/t Au)	1.89	0.67	1.57	0.88
Recovery (%)	88.7	86.2	88.2	85.9
Gold ounces produced	4,990	2,218	13,236	7,959
Gold ounces sold	5,615	2,574	13,204	8,849

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Third Quarter 2022 Highlights

- Signal Gold sold 5,615 ounces of gold in the third quarter of 2022, a 118% increase from the third quarter of 2021, generating metal revenue of \$12.7 million at an average realized gold price* of \$2,258 (US\$1,729) per ounce sold.
- Point Rousse produced 4,990 ounces of gold in the third quarter of 2022, an increase of 2,772 ounces or 125% from the third quarter of 2021 due to the higher-grade profile of Argyle mill feed. Production decreased 8% from Q2 2022 due to scheduled mill maintenance in September for a mill liner change.
- Mine operations moved 92,729 tonnes of ore during the third quarter from Argyle, a 25% increase from the second quarter of 2022 when the mine's ability to drill and blast was impeded in April from the impact of water management issues in the first half of the year. Point Rousse maintained an ore stockpile of approximately 19,600 tonnes as of September 30, 2022.
- The Pine Cove Mill processed 92,617 tonnes during the third quarter of 2022. The mill achieved a strong average recovery rate of 88.7% driven by the higher-grade Argyle mill feed in the third quarter, with mill availability reflecting the scheduled maintenance downtime.
- Operating cash costs per ounce sold* at the Point Rousse operation in Q3 2022 were \$1,447 (US\$1,108), reflecting a 10% increase from Q2 2022 due to lower mining productivity resulting in higher costs during the quarter. Based on the year-to-date operating cash costs of \$1,694, operating cash costs per ounce sold* for the full year are now expected to be approximately \$1,500 per ounce of gold sold (US\$1,155) (based on an approximate annual exchange rate of 0.77).
- All-in sustaining cash costs per ounce sold*, including corporate administration and sustaining capital expenditures, were \$1,796 (US\$1,375) for Q3 2022.
- Net loss for the three months ended September 30, 2022 was \$1,168,037, or \$0.01 per share, compared to \$1,078,899, or \$0.01 per share, for the three months ended September 30, 2021, driven by the gain on revaluation of investments in Q3 2021, partially offset by the increase in gold sales and higher revenue than the comparative period.
- On August 2, 2022, the EARD submitted for the Goldboro Gold Project to the Nova Scotia Department of Environmental and Climate Change was formally approved, subject to the terms and conditions outlined in the Environmental Assessment Approval. The approval marks a significant milestone in the regulatory approval process.
- As of September 30, 2022, the Company had a cash balance of \$12.2 million and an undrawn revolving credit facility of \$3.0 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.

2022 Guidance

As a result of geotechnical challenges experienced in the quarter which necessitated a redesign of the ramp and walls, the Company revised its guidance to between 20,000 and 21,000 ounces of gold to reflect impacted ore access at the Argyle Gold Mine. Based on the year-to-date operating cash costs of \$1,694, operating cash costs per ounce sold* for the full year are now expected to be approximately \$1,500 per ounce of gold sold (US\$1,155 at an approximate annual exchange rate of 0.77). As the Company is winding down the Point Rousse operations in the fourth quarter of 2022, the Company expects full year sustaining capital expenditure to be \$3,500,000, which relates predominantly to capitalized stripping in Q1 2022.

* Refer to Non-IFRS Measures Section below.

Third Quarter 2022 Operating and Financial Review

Operational Performance – The Point Rousse operation produced 4,990 ounces of gold in Q3 2022, representing an 8% decrease over the second quarter of 2022 and a 125% increase compared to the third quarter of 2021. The decrease from the second quarter of 2022 reflects scheduled mill maintenance during September for a mill liner change, and the change over the comparative period of 2021 reflects the higher-grade profile of mill throughput from Argyle. During Q3 2022, the mine operations moved 92,729 tonnes of ore, an increase of 25% from the prior quarter when the mining operation was impacted by elevated ammonia levels in water in the Argyle Pit, with normal mining operations commencing in May. The Company achieved a reduced stripping ratio of 5.8 waste tonnes to ore tonnes in the third quarter of 2022, reflective of development work performed during the first half of 2022.



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The Pine Cove Mill processed 92,617 tonnes during Q3 2022 and achieved a strong average recovery rate of 88.7%, consistent with the second quarter of 2022. The strong recovery corresponds with the average mill grade of 1.89 g/t, as mill throughput was exclusively from the Argyle Mine, which helped offset the impact of the downtime due to scheduled mill maintenance.

Financial Performance – Signal Gold sold 5,615 ounces of gold during the third quarter of 2022 to generate metal revenue of \$12.7 million at an average realized gold price* of \$2,258 (US\$1,729) per ounce, representing a 117% increase in metal revenue compared to the third quarter of 2021 due to higher production and gold sales.

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Revenue	12,687,652	5,855,453	30,370,352	20,155,365
Cost of operations				
Operating expenses	7,691,089	5,402,512	21,471,528	19,934,137
Royalty expense	441,809	53,434	910,554	402,035
Depletion and depreciation	3,503,612	789,097	6,873,474	2,787,055
Total cost of operations	11,636,510	6,245,043	29,255,556	23,123,227
Mine operating income (loss)	1,051,142	(389,590)	1,114,796	(2,967,862)

Operating expenses for the three months ended September 30, 2022 were \$7,691,089 compared to \$5,402,512 in the three months ended September 30, 2021. Operating expenses for the third quarter of 2022 included mining costs of \$4,371,298 which were 128% higher than the comparative period, primarily due significantly lower tonnes mined combined with the impact of the high capitalization of deferred stripping from the development of the Argyle Open Pit in Q3 2021. Processing costs of \$2,730,692 in the most recent quarter were relatively consistent with the comparative period of 2021 despite scheduled maintenance resulting in 22% less tonnes milled in the third quarter of 2022. Point Rousse was milling lower grade stockpiles in the third quarter of 2021 while it was focused on development of the Argyle pit. Operating expenses and depletion and depreciation in Q3 2022 were also impacted by a write down to metal inventory of \$1,311,000 to net realizable value, of which \$923,721 was recorded through operating expenses and \$387,279 was recorded through depletion and depreciation.

Operating cash costs per ounce sold* in the third quarter of 2022 were \$1,447 (US\$1,108) and are expected to continue to decrease into the fourth quarter as Point Rousse winds down operations after the completion of mining from Argyle. Operating cash costs per ounce sold* for the full year are now expected to be approximately \$1,500 per ounce of gold sold (US\$1,155 at an approximate annual exchange rate of 0.77).

The royalty expense for the third quarter of 2022 was \$441,809 compared to \$53,434 in the third quarter of 2021, reflecting the 3% net smelter return royalty that applies to Argyle. Depletion and depreciation for the three months ended September 30, 2022 was \$3,503,612, a significant increase from \$1,444,037 in the third quarter of 2021 reflecting comparatively higher production in 2022 and the reduced mineral reserve at Argyle, which results in a lower denominator for depletion and depreciation on a units-of-production basis relative to the denominator used in the comparative period.

Mine operating income for the three months ended September 30, 2022 was \$1,051,142, compared to the mine operating loss of \$389,590 in the corresponding period of 2021. The improvement from the prior year reflects increased gold production and sales resulting from higher mining activity.

Corporate administration costs were \$1,110,793 in the third quarter of 2022 compared to \$905,089 in the third quarter of 2021, reflecting increased legal costs, salary adjustments and severance expenses, and increased marketing activities compared to 2021 when the pandemic largely eliminated all marketing-related travel.

Finance expense for Q3 2022 was \$482,733 compared to \$32,641 in the comparative quarter of 2021, reflecting the impact of finance charges related to the Auramet senior secured loan facility and related promissory note which was entered into in May of 2022.

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Other expenses for Q3 2022 were \$180,561 compared to other income of \$138,973 in the comparative quarter of 2021. The decrease from the prior period reflects a foreign exchange loss of \$407,414, which was partially offset by the unrealized derivative gain of \$188,107. The foreign exchange loss is primarily related to the revaluation of the Auramet secured loan facility and related promissory note, whereas the derivative gain is related to the valuation of call options granted as part of the promissory note, which are recorded as a derivative liability.

In Q3 2022, the Company recorded a recovery of \$41,153 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 third quarter of 2022. The flow-through financing from June 2022 remains unused.

Net comprehensive loss for the three months ended September 30, 2022, was \$1,168,037, or \$0.01 per share, compared to a net comprehensive loss \$1,078,899, or \$0.01 per share, for the three months ended September 30, 2021. The improvement was the result of higher gold sales and resulting metal revenue, partially offset by higher operating expenses and depletion and depreciation in the third quarter of 2022.

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

Company Strategy and Outlook

Signal Gold is an established gold mining company in Atlantic Canada with a strong production growth profile from its Goldboro Gold Project in Nova Scotia, and with the aim of growing to annual production of 150,000 ounces per annum over the next five (5) years.

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.
- Engaged Auramet as project financing advisor for the Goldboro Gold Project, to undertake a robust solicitation process of project financing options and to advise on the structuring, negotiating, and closing of a comprehensive financing package to advance Goldboro towards production.
- 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 initial results of the Induced Polarization geophysical survey ("IP Survey") at its Goldboro Gold Project and the initiation of a 4,000 metre drill program. The initial IP Survey results comprise 36-line kilometres of the IP Survey and which demonstrates a chargeability response coincident with the Goldboro Mineral Resource which potentially continues a minimum 2.0 kilometres west of the Goldboro Mineral Resource.
- 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.

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**

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. The Company continues to advance permitting activities, including Mi'kmaq engagement and public consultation, additional surface and groundwater modelling, geotechnical programs, detailed engineering, and ongoing baseline studies to support the Industrial Approval Application.

During Q3 2022, the Company also announced that it had engaged Auramet as project financing advisor to undertake a robust solicitation process for project financing alternatives and advise on the structuring, negotiating, and closing of a comprehensive financing package to advance Goldboro towards production.

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);
- 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.

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➤ **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 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
		Measured + Indicated	15,668,000	2.82	1,422,000
		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
		Measured + Indicated	5,926,000	6.09	1,159,000
		Inferred	2,206,000	5.89	418,000
Combined Open Pit and Underground*	0.45 and 2.40	Measured	9,255,000	3.56	1,058,000
		Indicated	12,338,000	3.84	1,523,000
		Measured + Indicated	21,593,000	3.72	2,581,000
		Inferred	3,181,000	4.73	484,000

* 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.

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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.

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
	Total	0.45 g/t	15,798,900	2.26	1,150,200

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 aide 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.

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On October 13, 2022, the Company announced that it had received initial results of the IP Survey at Goldboro, which comprised of 36-line kilometres of the IP Survey and include an orientation of the known Goldboro Deposit, which demonstrates a chargeability response coincident with the Goldboro Mineral Resource. Significantly, this chargeability response continues 400 metres to the west of the Goldboro Deposit to the western end of the IP Survey and down to depths of at least 250 metres, which may represent the along strike continuity of the Goldboro Deposit. Historical data suggests the structure which hosts the Goldboro Deposit potentially continues a minimum 2.0 kilometres west of the Goldboro Mineral Resource, which the Company will further test in the near-term as it consolidates land access in this area. Based on the initial results, the Company is initiating a 4,000-metre diamond drill program in the fourth quarter of 2022 to test the possible extension of the Deposit.

Liquidity and Capital Resources

Signal Gold manages its liquidity by generating cash flows from the Point Rouse 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 Rouse, exploration expenditures, and corporate expenses. As the Point Rouse operation winds down, the Company will be more reliant on raising funds through the issuance of equity (including flow-through financing) to support the advancement of Goldboro and corporate expenses.

<i>(In \$)</i>	September 30, 2022	December 31, 2021
Cash and cash equivalents	12,188,696	10,121,724
Inventory	6,750,469	5,641,435
Other current assets	764,590	2,080,035
Current assets	19,703,755	17,843,194
Trade and other payables	8,543,310	9,528,294
Current portion of loans	11,077,081	1,363,383
Unearned revenue	-	5,000,000
Other current liabilities	408,468	554,404
Current liabilities	20,028,859	16,446,081
Working (deficit) capital*	(325,104)	1,397,113

* Refer to Non-IFRS Measures section below

As at September 30, 2022, the Company had a working capital deficit* of \$325,104, which included cash and cash equivalents of \$12,188,696. The decrease in other current assets reflects the movement in receivables and prepaid expenses, primarily driven by the receipt of insurance proceeds and timing of prepaid expenses. 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, including the advancement of the Goldboro Gold Project, is dependent upon its ability to raise funds 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.

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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 September 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 generated \$3,885,127 in operating cash flows during the three months ended September 30, 2022, after accounting for corporate administration costs of \$1,110,793. The Point Rousse Project generated EBITDA* of \$4,542,586, based on gold sales of 5,615 ounces at an average gold price of C\$2,258 per ounce sold* and operating cash costs of C\$1,447 per ounce 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 the third quarter of 2022, spending \$2,160,711 on exploration and evaluation assets (adjusted for amounts included in trade payables and accruals as of September 30, 2022), with \$1,855,553 relating to the advancement of the Goldboro Gold Project. The Company also invested \$313,097 into the property, mill and equipment at the Point Rousse operation during the third quarter of 2022.

Financing activities during the third quarter of 2022 included \$164,720 for the ongoing repayment of loans and lease obligations. This is significantly lower than the net cash flow provided from financing activities in the third quarter of 2021, which had proceeds of \$1,524,000 from the exercise of warrants.

* Refer to Non-IFRS Measures Section below.

Commitments

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

	1 year	1 - 3 years	More than 3 years	Total
	\$	\$	\$	\$
Trade payables and accrued liabilities	8,543,310	-	-	8,543,310
Promissory Note	10,768,570	-	-	10,768,570
Lease liabilities	194,012	139,836	26,340	360,188
Other loans	114,499	-	-	114,499
Flow-through commitment	2,572,403	-	-	2,572,403
Interest payable	11,913	4,298	717	16,928
	22,204,707	144,134	27,057	22,375,898

As of September 30, 2022, the Company has a commitment to spend \$2,572,403 of flow-through funds on eligible exploration expenses, related to the private placements completed in May 2021 and June 2022.

As of September 30, 2022, the Company is locked into forward sales on a delivery basis for a total of 1,800 ounces of its production for the fourth quarter of 2022. The gold price for the orders was locked in at an average of \$2,238 per ounce with delivery in the fourth quarter of 2022.

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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 September 30, 2022, the Company has determined it has approximately \$13 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.

Off-Balance Sheet Items

As of September 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:

	September 30, 2022	December 31, 2021
Authorized: Unlimited number of common shares		
Issued: Fully paid common shares	193,801,714	180,306,657
Issued: Warrants	5,861,337	-
Issued: Stock options	2,388,334	2,489,584
Issued: Share units	2,362,813	1,750,798

As at the date of this MD&A, the fully paid common shares outstanding of Signal Gold was 193,801,714.

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 nine months ended September 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.

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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 nine months ended September 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. Historically, Signal Gold 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.

As of September 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 Promissory Note 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 Promissory Note. 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.

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Quarterly Information

<i>(\$ thousands unless otherwise stated)</i>	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Revenue	12,688	9,662	8,020	7,643	5,855	6,940	7,360	9,988
Mine operating income (loss)	1,051	2,116	(2,053)	232	(390)	(1,277)	(1,302)	3,596
Net (loss) income	(1,168)	(330)	(3,549)	(1,358)	(1,079)	(2,202)	(2,497)	792
Net (loss) income per share (basic and diluted) (\$ per share)	(0.01)	(0.00)	(0.02)	(0.01)	(0.01)	(0.01)	(0.02)	0.01
Cash flow from (used in) operations	3,885	(2,815)	(1,114)	5,519	251	(1,818)	536	2,080
Total assets	101,714	101,817	92,298	95,551	89,145	87,229	83,469	81,397
Non-current liabilities	9,474	8,680	8,331	8,236	7,645	7,023	7,084	7,530

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:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Salaries, bonuses, fees and short-term benefits (\$)	209,810	214,148	638,413	539,493
Share-based compensation (\$)	92,560	111,568	253,630	268,256
	302,370	325,716	892,043	807,749

As at September 30, 2022, included in trade and other payables is \$51,250 relating to directors' fees, bonuses, and severance payments (December 31, 2021 - \$112,250).

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 September 30, 2022, included in trade and other receivables is \$22,964 (December 31, 2021 - \$57,426) of amounts charged under the service level agreement.

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 issued in November 2018. 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 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.

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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 September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Operating expenses per the consolidated statement of comprehensive income, including royalties	8,132,898	5,455,946	22,382,082	20,336,172
By-product silver sales credit	(8,425)	(5,947)	(18,663)	(17,972)
By-product aggregates sales credit	-	(78,874)	-	(78,874)
Operating cash costs (\$)	8,124,473	5,371,125	22,363,419	20,239,326
Sustaining expenditures – property, mill and equipment	313,097	3,125,994	3,025,233	5,431,463
Sustaining expenditures – exploration and evaluation	286,515	647,470	1,032,787	1,984,079
Corporate administration costs	1,110,793	905,089	3,682,429	2,697,820
Share-based compensation	224,889	188,094	573,463	616,878
Rehabilitation – accretion and amortization (operating)	27,487	4,913	82,461	11,486
All-in sustaining cash costs (“AISC”) (\$)	10,087,254	10,242,685	30,759,765	30,981,052
Gold ounces sold	5,615	2,574	13,204	8,849
Operating cash costs per ounce sold (\$ / ounce)	1,447	2,087	1,694	2,287
AISC per ounce sold (\$ / ounce)	1,796	3,979	2,330	3,501
Average US Dollar exchange rate during period	0.7656	0.7937	0.7794	0.7994
Operating cash costs per ounce sold (US\$ / ounce)	1,108	1,656	1,320	1,828
AISC per ounce sold (US\$ / ounce)	1,375	3,158	1,816	2,799

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 September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Gold revenue (\$)	12,679,227	5,770,632	30,351,689	20,058,519
Gold ounces sold	5,615	2,574	13,204	8,849
Average realized gold price per ounce sold (\$)	2,258	2,242	2,299	2,267
Average US Dollar exchange rate during period	0.7656	0.7937	0.7794	0.7994
Average realized gold price per ounce sold (US\$)	1,729	1,779	1,792	1,812

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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 September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Net income (loss), per the consolidated statement of comprehensive income (loss)	(1,168,037)	(1,078,899)	(5,048,563)	(5,778,000)
Adjustments:				
Finance expense	482,733	32,641	1,146,142	116,447
Current income tax expense	-	-	-	30,345
Deferred income tax expense (recovery)	212,000	617,000	1,029,000	365,000
Depletion and depreciation	3,503,612	789,097	6,873,474	2,787,055
EBITDA	3,030,308	359,839	4,000,053	(2,479,153)
Corporate administration	1,110,793	905,089	3,682,429	2,697,820
Gain on revaluation of investments	-	(1,020,432)	(326,973)	(1,020,432)
Share of loss from equity accounted investments	8,203	105,890	59,880	344,017
Stock-based compensation	224,889	188,094	573,436	616,878
Deferred premium on flow-through shares	(41,153)	(147,701)	(385,672)	(381,415)
Other expenses (income)	209,546	(2,594)	348,318	(19,074)
Point Rousse Project EBITDA	4,542,586	388,185	7,951,471	(241,359)

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

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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 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 nine months ended September 30, 2022, the Company had a net loss of \$1,168,037 and \$5,048,560, respectively, and as of September 30, 2022, had a working capital deficit of \$325,104 (December 31, 2021 – working capital of \$1,397,113). The deficit is mainly attributed to the impact of operational issues at its Point Rousse operations. As of September 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, including the advancement of the Goldboro Gold Project, is dependent upon its ability to raise funds 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 also continues to generate cash flows from the Argyle mine, which is expected to be depleted in the fourth quarter of 2022, at which point it will be put under care and maintenance. 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 concern assumption was not appropriate. Should the Company be unable to access funds through equity and debt financing activities, the carrying value of the Company's assets could be subject to material adjustments

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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 nine months ended September 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.

Adoption of New Accounting Standards

Certain new accounting standards and interpretations have been issued that are not mandatory for reporting periods ending September 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 September 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.

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 September 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 nine months ended September 30, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal control 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 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.

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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 Paul McNeill, P. Geo., Vice President Exploration, 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.