

July 19, 2022

Valuation: We are maintaining our BUY rating and our 12-month price target of \$2.00/share for SGNL. Our model values Goldboro at \$786M (modelling mining of open pit and underground M+I resource at resource grades and applying 15% mining dilution with open pit mining for the first eleven years of operations and underground mining initiating in year six at 200 tpd then ramping up to 1,500 tpd within two years following initiation). We use a fully financed share count to account for the future construction of the Goldboro Project. Our valuation assumes 0.7x project NAV_{8%} plus corporate adjustments, while SGNL currently trades at P/NAV of 0.16x compared to peers at 0.55x.

Net Asset Valuation	Discount	\$ Million	\$/Share	Target Derivation	\$/Share
Goldboro	8.0%	786	2.37	Project NAV	\$2.52
Point Rousse	5.0%	51	0.15	Multiple	0.7x
Project NAV		837	2.52		\$1.76
Exploration Credit		25	0.08	Adjustments	\$0.19
Corporate Adjustments		27	0.08		
Cash & Equivalents		11	0.03		
ITM Warrants		2	0.00	12-Month Target	C\$2.00
Adjusted NAV		901	2.72	<i>Implied Return</i>	<i>365%</i>
Source: M Partners		P/NAV	0.16x		

Figure 1: Valuation Breakdown

Disclosure Code: 5

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SGNL	1	2	3	4	5	6	7
	NO	NO	NO	NO	YES	NO	NO
The analyst has viewed the material operations of the company. The analyst visited the Goldboro project in Goldboro, Nova Scotia.							

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Rating System	
Buy:	Price expected to rise
Speculative Buy:	Buy rating with increased risk
Hold:	Properly priced
Sell:	Price is inflated and expected to decrease
Under Review (U/R):	Under review
Not Rated (N/R):	Not currently rated

Summary of Recommendations	
Buy	17
Speculative Buy	1
Hold	0
Sell	0
U/R	1
Total	19