



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

JANUARY 31, 2022 AND 2021

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed interim consolidated financial statements (or “Interim Financial Statements”), they must be accompanied by a notice indicating that the Interim Financial Statements have not been reviewed by an auditor.

The management of Signature Resources Ltd. (“Management”) is responsible for the preparation of the Interim Financial Statements and accordingly, these Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards and are considered by Management to present fairly the consolidated financial position, operating results and cash flows of the Company.

The Company’s independent auditor has not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the Interim Financial Statements by an entity’s auditor. These Interim Financial Statements include all adjustments, consisting of normal and recurring items, that Management considers necessary for a fair presentation of the consolidated financial position, results of operations and cash flows.

S/“Robert Vallis”

Robert Vallis,
Chief Executive Officer

S/“Donna McLean”

Donna McLean,
Chief Financial Officer

March 28, 2022



CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at	Note	January 31, 2022	October 31, 2021
		\$	\$
ASSETS		(Unaudited)	
CURRENT			
Cash		19,913	75,281
Investments	4	57,500	1,350,000
Amounts receivable		263,406	254,546
Prepaid expenses and deposit		30,027	67,306
Total current assets		370,846	1,747,133
Equipment	5	1,225,374	1,301,383
Exploration and evaluation assets	6,7,10	13,926,642	12,811,830
Total assets		15,522,862	15,860,346
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	7,9	1,398,621	1,396,638
Total current liabilities		1,398,621	1,396,638
Rehabilitation provision	10	850,796	848,271
Total liabilities		2,249,417	2,244,909
SHAREHOLDERS' EQUITY			
Share capital	8	15,582,097	15,582,097
Contributed surplus	8	4,062,496	4,031,249
Deficit		(6,371,148)	(5,997,909)
Total shareholders' equity		13,273,445	13,615,437
Total liabilities and shareholders' equity		15,522,862	15,860,346

Nature of business and continuing operations (note 1)

Commitments and contingencies (notes 6, 10, 11)

Subsequent events (note 14)

Approved by the Board:

S/ "Paolo Lostritto"

Director

S/ "Stephen Timms"

Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.



CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Unaudited)
(Expressed in Canadian dollars)

Period ended January 31,	Note	2022	2021
		\$	\$
GENERAL AND ADMINISTRATION			
Salaries and wages	7	138,575	125,280
Office and general		109,801	47,385
Depreciation	5	83,723	28,985
Professional fees		10,000	24,612
Share-based payments	7,8	31,247	221,166
NET LOSS BEFORE OTHER ITEMS		(373,346)	(447,428)
Premium on flow-through shares income	14	-	74,245
Foreign exchange income (loss)		107	(1,166)
Gain on forgiveness of debt	11	-	79,100
NET LOSS AND COMPREHENSIVE LOSS		(373,239)	(295,249)
LOSS PER SHARE, basic and diluted		\$(0.00)	\$(0.00)
Weighted average number of common shares, basic and diluted		237,060,527	147,588,957

The accompanying notes are an integral part of these condensed interim consolidated financial statements.



CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Expressed in Canadian dollars)

Period ended January 31,	Note	2022	2021
		\$	\$
OPERATING ACTIVITIES			
Net loss for the period		(373,239)	(295,249)
Items not affecting cash:			
Depreciation expense	5	83,723	28,985
Share-based payments	8	31,247	221,166
Premium on flow-through shares income	14	-	(74,245)
Gain on forgiveness of debt			(79,100)
Interest expense	11	-	-
		(258,269)	(198,443)
Changes in non-cash working capital items:			
Amounts receivable		(8,860)	(101,876)
Prepaid expenses and deposit		37,279	8,456
Accounts payable and accrued liabilities		1,982	239,045
Net cash used in operating activities		(227,868)	(52,818)
FINANCING ACTIVITIES			
Proceeds from private placement	8	-	3,000,000
Share issuance costs	8	-	(132,148)
Proceeds from warrant exercise	8	-	5,000
Net cash provided by financing activities		-	2,872,852
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation assets	6	(1,112,287)	(506,438)
Expenditures on equipment	5	(7,713)	(210,725)
Investments	4	1,292,500	(1,500,000)
Net cash used in investing activities		172,500	(2,217,163)
Net change in cash		(55,368)	602,871
Cash and equivalent, beginning of period		75,281	462,184
Cash and equivalent, end of period		19,913	1,065,055

Non-cash activities:

Depreciation included in exploration and evaluation assets	5	\$-	\$1,110
Shares for debt	8	\$-	\$291,955
Exercise of options	8	\$-	\$100,000
Increase in rehabilitation provision	10	\$2,525	\$-

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**CONDENSED INTERIM CONSOLIDATED
STATEMENTS OF CHANGES IN EQUITY**
(Expressed in Canadian dollars)

	Note	Number of Shares #	Share Capital \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, October 31, 2020		142,700,804	7,730,552	2,249,444	(4,611,881)	5,368,115
Private placements	8	44,987,345	3,000,000	-	-	3,000,000
Share issuance costs	8	-	(132,148)	-	-	(132,148)
Issuance of warrants	8	-	(514,422)	514,422	-	-
Shares issued for debt	8	5,839,093	291,955	-	-	291,955
Exercise of stock options	8	1,750,000	169,674	(69,674)	-	100,000
Exercise of warrants	8	100,000	6,750	(1,750)	-	5,000
Share-based payments	8	-	(279,864)	221,166	-	221,166
Premium on flow-through shares	-	-	-	-	-	(279,864)
Net loss and comprehensive loss for the period	-	-	-	-	(295,249)	(295,249)
Balance, January 31, 2021		195,377,242	10,272,497	2,913,608	(4,907,130)	8,278,975
Private placement	8	33,163,812	5,324,674	-	-	5,324,674
Share issuance costs	8	-	(156,482)	-	-	(156,482)
Issuance of warrants	8	-	(741,014)	741,014	-	-
Shares issued for acquisition of claims	6	200,000	37,000	-	-	37,000
Shares issued for debt	8	-	79,099	-	-	79,099
Shares issued for services	8	184,615	36,000	-	-	36,000
Exercise of warrants	8	8,134,858	974,772	(114,092)	-	860,680
Share-based payments	8	-	(244,449)	490,719	-	490,719
Premium on flow-through shares	-	-	-	-	-	(244,449)
Net loss and comprehensive loss for the period	-	-	-	-	(1,090,779)	(1,090,779)
Balance, October 31, 2021		237,060,527	15,582,097	4,031,249	(5,997,909)	13,615,437
Share-based payments	8	-	-	31,247	-	31,247
Net loss and comprehensive loss for the period	-	-	-	-	(373,239)	(373,239)
Balance, January 31, 2022		237,060,527	15,582,097	4,031,249	(6,371,148)	13,273,445

The accompanying notes are an integral part of these consolidated financial statements.



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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JANUARY 31, 2022 AND 2021
(Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Signature Resources Ltd. (the “Company” or “Signature”) was incorporated on May 3, 2010, under the British Columbia Business Corporations Act. The Company’s principal business activities include the acquisition and exploration of mineral properties in Canada. The Company’s common shares are publicly traded on the TSX Venture Exchange (“TSXV”) under the stock symbol “SGU”, on the OTCQB under the symbol “SGGTF”, and on the FSE under the symbol “3S3”. The Company’s head office address is Ste. 2704-401 Bay Street, Toronto, ON M5H 2Y4.

At January 31, 2022, the Company had not yet determined whether its properties contained ore reserves that are economically recoverable. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements or non-compliance with regulatory requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at January 31, 2022, the Company has an accumulated deficit of \$6,371,148 (October 31, 2021 - \$5,997,909), working capital deficiency of \$1,027,775 (October 31, 2021 - \$350,495), and is not yet generating positive cash flows from operations. These factors indicate the existence of material uncertainties that cast significant doubt about the Company’s ability to continue its operations as a going concern and to realize its assets as their carrying values are dependent upon obtaining additional financing and for generating revenues sufficient to cover its operating costs.

The Company will need to raise capital in order to fund its operations. To address its financing requirements, the Company will seek financing through debt and equity financings, asset sales, and rights offerings to existing shareholders. The ability of the Company to raise sufficient capital cannot be predicted at this time.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. Such adjustments could be material.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business while monitoring the COVID-19 development but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its future impact.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The Company’s condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting”. Accordingly, these condensed interim consolidated financial statements do not include all information required for full annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended October 31, 2021, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.



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**NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on March 28, 2022.

The condensed interim consolidated financial statements have been prepared on the historical cost basis except as explained in the accounting policies set out in Note 3 of the Company's audited consolidated financial statements for the year ended October 31, 2021. These interim financial statements have been prepared on an accrual basis except for cash flow information.

The preparation of the interim financial statements under IFRS requires Management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The functional and presentation currencies of the Company and its subsidiary is the Canadian dollar.

These interim financial statements include the accounts of the Company and its wholly owned subsidiary, Signature Exploration Ltd. All intercompany amounts and transactions have been eliminated on consolidation.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The areas which require Management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

i. Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

ii. Income, value added, withholding and other taxes related estimates

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities, such as those arising from the renunciation of flow-through expenditures, requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related



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accruals and deferred income tax provisions in the period in which such determination is made. In the case of flow-through, reassessment may result in amounts owing to certain shareholders.

iii. Estimation of restoration, rehabilitation, and environmental obligations

Restoration, rehabilitation and environmental liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of restoration, rehabilitation and environmental liabilities that may occur upon ceasing exploration and evaluation activities. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

iv. Share-based payments

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumption about them, the assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 8.

3. SIGNIFICANT ACCOUNTING POLICIES

Standards issued and effective for annual periods beginning on or after November 1, 2021

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and **IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”)** were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.



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IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

The Company is currently assessing the impact of these standards.

4. INVESTMENTS

As of January 31, 2022, the Company has an interest-bearing guaranteed investment certificate (GIC) in the amount of \$57,500 (October 31, 2021 - \$1,350,000). The Company’s GIC is held with a first-tier bank, with a maturity greater than 90 days but less than one year.

5. EQUIPMENT

	Vehicles	Equipment	Computer Equipment	Total
Cost				
Balance, October 31, 2020	\$34,299	\$422,996	\$-	\$457,295
Additions	310,199	903,735	10,627	1,224,561
Balance, October 31, 2021	\$344,498	\$1,326,731	\$10,627	\$1,681,856
Additions	-	7,713	-	7,713
Balance, January 31, 2022	\$344,498	\$1,334,444	\$10,627	\$1,689,570
Accumulated Depreciation				
Balance, October 31, 2020	\$8,166	\$165,216	\$-	\$173,382
Depreciation	51,253	154,571	1,267	207,091
Balance, October 31, 2021	\$59,419	\$319,787	\$1,267	\$380,473
Depreciation	15,510	67,327	886	83,723
Balance, January 31, 2022	\$74,929	\$387,114	\$2,153	\$464,196
Net Book Value				
Balance, October 31, 2021	\$285,079	\$1,006,944	\$9,360	\$1,301,383
Balance, January 31, 2022	\$269,569	\$947,330	\$8,474	\$1,225,374

The estimated useful lives for the current and comparative periods for equipment are as follows:

- Computer and communication equipment - 3 years
- Vehicles - 5 years
- Equipment - 5 years

The depreciation for the period ended January 31, 2022 of \$83,723 (2021 - \$30,095) includes \$nil (2021- \$1,110) included in exploration and evaluation assets (note 6).



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6. EXPLORATION AND EVALUATION ASSETS

The Company holds a 100% interest in the Lingman Lake Property for the main purpose of gold exploration. A 3% net smelter return ("NSR") is attached to each of three different claim blocks. The Company can purchase one-half (1/2) of the NSR of each claim block for \$1,500,000, collectively totaling \$4,500,000 for all three blocks.

On May 11, 2021, the Company announced the acquisition of a certain number of claims (the "Claims") along the Southern contact of the Lingman Lake Greenstone Belt. The consideration for the Claims was the payment of \$8,000 in cash and the issuance of 200,000 common shares in the capital of the Company, valued at the market price of \$0.185 per common share.

The following table summarizes the cumulative expenditures incurred at the Lingman Lake Property:

	Lingman Lake
Balance, October 31, 2020	\$6,401,261
Field supplies	1,377,308
Travel and lodging	1,121,533
Logistics	744,056
Contract labour	698,341
Airborne survey	628,793
Asset retirement obligation adjustment (note 10)	574,424
Consulting expenses	353,584
Geophysical and geological consulting	495,980
Salaries and wages	345,567
Acquisition costs	37,000
Equipment rentals	21,866
Drilling	8,406
Depreciation (note 5)	3,711
Balance, October 31, 2021	\$12,811,830
Contract labour, salaries, wages	291,081
Logistics	236,070
Field supplies	215,583
Travel and lodging	129,799
Geophysical and geological consulting	111,600
Other consulting expenses	61,690
Assays	19,357
Geotechnical and storage	32,171
Equipment rentals	14,936
Asset retirement obligation asset accretion (note 10)	2,525
Balance, January 31, 2022	\$13,926,642

7. RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at their fair values, which is the amount of consideration established and approved by the related parties. As at January 31, 2022, the Company owes \$78,447 (October 31, 2021 - \$66,902) to executives of the Company for unpaid salaries and wages. These amounts are included in accounts payable and accrued liabilities (note 9). They are unsecured, non-interest-bearing, and due on demand.

Short-term wages paid to related parties during the period ended January 31, 2022 includes \$65,400 (2021 - \$nil) which has been recorded in Exploration and evaluation assets on the statement of financial position.

Period ended January 31,	2022	2020
Short-term wages	\$203,975	\$116,280
Share-based payments	22,619	184,718
	\$226,594	\$300,998

8. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding – see statements of changes in equity.

- i. On November 26, 2020, the Company entered into debt settlement agreements and completed shares for debt transactions with certain creditors of the Company, including certain directors and officers. Pursuant to these agreements, the Company issued 5,839,093 common shares to settle \$371,054 of outstanding debt. No gain or loss was recorded on the debt settlement.
- ii. In November 2020, 1,000,000 options with an exercise price of \$0.055 and 750,000 options with an exercise price of \$0.060 were exercised for deemed proceeds of \$100,000. The fair value of these options, in the amount of \$69,674, was transferred from contributed surplus to share capital.
- iii. On December 4, 2020, the Company closed its non-brokered private placement. The Company raised gross proceeds of \$2,000,000 by issuing 22,847,201 hard dollar units at a price of \$0.05 per unit and 14,293,999 flow-through units at a price of \$0.06 per unit.

Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant. The Company issued a total of 29,994,199 warrants with a value of \$299,713 in connection with this private placement. Each whole warrant will entitle the holder thereof to acquire an additional common share of the Company at an exercise price of \$0.10 until December 4, 2021.

The Company issued a total of 832,557 finder's warrants with a total value of \$13,947 in connection with the private placement. 700,000 finders' warrants valued at \$11,930 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of \$0.05 and 132,557 finders' warrants valued at \$2,017 were issued pursuant to the sale of flow-



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through units exercisable to acquire one common share at a price of \$0.06 for a period of 12 months following closing of the tranche. Directors and officers subscribed for 1,000,000 flow-through units and 1,434,601 hard dollar units for this private placement.

The total premium on the flow-through shares was \$217,554 (note 14).

Total issuance costs of \$63,203 were incurred in connection with the private placement.

- iv. On December 17, 2020, the Company closed its non-brokered private placement. The Company raised gross proceeds of \$1,000,000 by issuing 999,945 hard dollar units at a price of \$0.11 per unit and 6,846,200 flow-through units at a price of \$0.13 per unit. Directors of the Company subscribed for 386,309 units of the financing.

Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant. The Company issued a total of 4,423,045 warrants with a value of \$114,126 in connection with this private placement. Each whole warrant will entitle the holder thereof to acquire an additional common share of the Company at an exercise price of \$0.20 until April 17, 2022.

The Company also issued finder's warrants to purchase 205,386 common shares, exercisable until April 17, 2022 at a price of \$0.13 per share and valued at \$7,480.

The total premium on the flow-through shares was \$234,724 (note 14).

Total issuance costs of \$68,945 were incurred in connection with the private placement.

- v. On March 18, 2021, the Company closed a non-brokered charity flow-through private placement issuing 9,090,909 common shares at a price of \$0.156 per common share for gross proceeds of \$1,418,182. Total issuance costs of \$25,371 were incurred in connection with the private placement. There was no premium on flow-through shares incurred in connection with the private placement.
- vi. On April 1, 2021, the Company issued 184,615 common shares at \$0.195 per common share to satisfy the payment of certain services for a total cost of \$36,000. The value of the shares was estimated based on the quoted market price of the Company's shares at the date of issuance.
- vii. On May 11, 2021, the Company issued 200,000 common shares, with a market value of \$37,000, or \$0.185 per common share, for the acquisition of 45 claims. (See note 6). The value of the shares was estimated based on the quoted market price of the Company's shares at the date of issuance.
- viii. On July 9, 2021, the Company closed a non-brokered private placement by issuing 13,107,312 non-flow-through units and 10,965,591 flow-through units for aggregate gross proceeds of \$3,906,492. Each flow-through unit was issued at a price of \$0.165 per unit and was comprised of one common share of the Company and one half of one warrant with an exercise price of \$0.25 per flow-through warrant. Non-flow-through units were issued at a price of \$0.16 per unit consisting of one common share and one half of one warrant with an exercise price of \$0.22 per non-flow-through warrant. Both the flow-through and non-flow-through warrants expire two years from date of issuance.



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The Company issued a total of 6,553,656 non-flow-through warrants with a value of \$450,481 and issued 5,482,796 flow-through warrants with a value of \$353,888 in connection with this private placement.

The Company issued finder's warrants with a total value of \$41,419 in connection with the private placement. 500,625 finders' warrants valued at \$26,681 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of \$0.16 and 281,818 finders' warrants valued at \$14,738 were issued pursuant to the sale of flow-through units exercisable to acquire one common share at a price of \$0.165 for a period of 12 months following closing of the tranche.

The total premium on the flow-through shares was \$72,035 (note 14).

Total issuance costs of \$131,112 were incurred in connection with the private placement.

c) Stock option plan

Under the Company's stock option plan (the "Plan"), the Company's Board of Directors is authorized to grant stock options to directors, senior officers, employees, consultants, consultant company or management company employees of the Company and its subsidiaries not to exceed 10% of the issued and outstanding common shares of the Company from time to time. Stock options granted under the Plan are exercisable over a period not exceeding 10 years from the date granted. Exercise prices may not be less than the market price of the common shares at the time of the grant. Options shall vest in the manner imposed by the Board of Directors as a condition at the grant date.

The following table summarizes the stock options activity for the three-month period ended January 31, 2022 and the year ended October 31, 2021:

	Number of Options	Weighted Average Exercise Price \$
Balance at October 31, 2020	9,675,000	0.082
Granted	13,325,000	0.110
Exercised	(1,750,000)	0.057
Expired	(125,000)	0.055
Balance at October 31, 2021	21,125,000	0.102
Expired	(75,000)	0.130
Balance at January 31, 2022	21,050,000	0.102


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The following table summarizes the outstanding stock options at January 31, 2022:

Grant Dates	Exercise Price \$	Weighted Average Remaining Life (yrs)	Number of Options Outstanding	Number of Options Exercisable
Mar. 1 - Oct. 29, 2018	0.08 - 0.12	1.08 - 1.74	3,450,000	3,450,000
Jun. 17 - Nov. 7, 2019	0.05 - 0.075	2.38 - 2.77	350,000	350,000
Apr. 1 - Aug. 17, 2020	0.05 - 0.10	1.16 - 3.55	4,000,000	4,000,000
Nov. 1 - Dec. 23, 2020	0.065 - 0.13	3.77 - 3.90	8,500,000	4,250,000
Jan. 19 - Feb. 16, 2021	0.11 - 0.13	3.97 - 4.05	800,000	400,000
May 10 - Aug. 4, 2021	0.16 - 0.20	2.27 - 4.51	3,950,000	1,543,750
	0.102	3.37	21,050,000	13,993,750

- i. On November 8, 2020, the Company granted 3,000,000 incentive stock options to a director. The options have an exercise price of \$0.065, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter, through to the third anniversary.
- ii. On November 11, 2020, the Company granted 3,000,000 incentive stock options to a director and officer. The options have an exercise price of \$0.07, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.
- iii. On December 23, 2020, 2,575,000 options were granted to directors, officers and consultants of the Company. 2,500,000 options have an exercise price of \$0.13, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary of the date of grant. The remaining 75,000 stock options have an exercise price of \$0.13, vest immediately, and expire one year from the date of grant.
- iv. On January 19, 2021, 200,000 options were granted to an advisor. The options have an exercise price of \$0.11, expire five years from the date of grant, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary of the date of grant.
- v. On January 27, 2021, 200,000 options were granted to an advisor. The options have an exercise price of \$0.125, expire five years from the date of grant, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.
- vi. On February 12, 2021, 200,000 options were granted to an advisor. The options have an exercise price of \$0.12 and expire five years from the date of issuance. These options vest as to 25% immediately and 12.5% every six months thereafter, through to the third anniversary of the date of grant.
- vii. On February 16, 2021, 200,000 options were granted to an advisor. The options have an exercise price of \$0.12 and expire five years from the date of issuance. These options vest as to 25% upon grant and 12.5% every six months thereafter, through to the third anniversary of the date of grant.


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- viii. On May 10, 2021, the Company issued 100,000 options to a consultant. The options have an exercise price of \$0.20 and expire three years from the date of issuance. The options vested immediately upon grant.
- ix. On June 23, 2021, 2,250,000 options were granted to a consultant. The options have an exercise price of \$0.16 and expire five years from the grant date. These options vest as to 25% immediately, and 12.5% every six months thereafter, through to the third anniversary.
- x. On August 4, 2021, 1,600,000 options were granted to an officer of the Company. The options have an exercise price of \$0.16 and expire five years from the grant date. These options vest as to 25% immediately and 12.5% every six months thereafter, through to the third anniversary of the grant date.

The fair value of the Company's stock options outstanding was estimated using the Black-Scholes option pricing model, using the following assumptions for the years ended October 31, 2021 and 2020, and the three month periods ended January 31, 2021 and 2020:

	2022	2021
Expected volatility (based on historical share prices)	110%-137%	110%-137%
Risk-free interest rate	0.22%-0.97%	0.22%-0.47%
Expected life (years)	1-5	1-5
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

The compensation expense and charge to contributed surplus relating to the vesting of stock options for the period ended January 31, 2022 was \$31,247 (2021 - \$221,166).

(e) Warrants

The following is the warrants activity for the three months ended January 31, 2022 and the year ended October 31, 2021:

	Number of Warrants	Weighted Average Exercise Price \$
Balance at October 31, 2020	43,265,368	0.113
Granted	48,274,082	0.143
Exercised	(8,234,858)	0.105
Balance at October 31, 2021	83,304,592	0.130
Expired	(33,545,113)	0.100
Balance at January 31, 2022	49,759,479	0.141

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The fair value of the Company's warrants outstanding was estimated using the Black-Scholes option pricing model, using the following assumptions for the years ended October 31, 2021 and 2020, and the three month periods ended January 31, 2021 and 2020:

	2022	2021
Expected volatility (based on historical share prices)	132%	132%
Risk-free interest rate	0.24%-0.27%	0.24%-0.27%
Expected life (years)	1-1.33	1-1.33
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

The following table summarizes the warrants outstanding at January 31, 2022:

Grant Date	Exercise Price \$	Weighted Average Remaining Life (yrs)	Number of Warrants Outstanding
June 15, 2020	0.05 - 0.10	0.37	4,132,000
August 25, 2020	0.05 - 0.10	0.56	21,429,486
September 11, 2020	0.05 - 0.10	0.61	6,750,667
December 17, 2020	0.13 - 0.20	0.21	4,628,431
July 9, 2021	0.16 - 0.25	0.44 - 1.44	12,818,895
	0.141	0.73	49,759,479

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	January 31, 2022	October 31, 2021
Accounts payable	\$444,530	\$374,114
Accrued liabilities - MENDM ⁽¹⁾	884,325	884,325
Other accrued liabilities	69,766	138,199
	\$1,398,621	\$1,396,638

(1) Prior to the acquisitions of Signature Exploration Ltd. and the Lingman Lake Property, the Ministry of Energy, Northern Development and Mines ("MENDM") had requested the removal of certain above ground storage tanks containing approximately 800,000 litres of fuel that was considered a mine hazard. Due to the failure of the prior owners to comply with MENDM's request for it to be cleaned up, MENDM took action and managed the disposition of the fuel at a cost of \$884,325.

10. REHABILITATION PROVISION

Historical work done by other companies on the Company's mining sites also resulted in MENDM issuing an order to the Company requiring the filing of a mine closure plan (MCP). Therefore, the rehabilitation provision recorded in these interim financial statements represents the estimate of the eventual legal and contractual obligations associated with a future closure of the Company's mining operations either progressively or at the end of the mine life. A draft MCP was submitted to MENDM



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in September 2021 and the Company is awaiting MENDM's comments. These obligations consist of estimated costs associated with reclamation and monitoring activities and the removal of tangible assets from the Company's mining sites.

A summary of the Company's rehabilitation provision is presented below:

As at	January 31, 2022	October 31, 2021
Balance, beginning of period	\$848,271	\$273,847
Change in estimate	-	574,424
Accretion expense	2,525	-
Balance, end of period	\$850,796	\$848,271

The estimated costs of \$848,271 increased from the historic estimated costs of \$273,847 due to an expanded scope of work and a change of certain assumptions regarding inflation and the cost of capital. The Company has recorded the additional liability on the statement of financial position at its present value amount, adjusted for 2% annual inflation, and discounted back to October 31, 2021 using a risk-free rate of 1.77%. During the period ended January 31, 2022, the Company has recorded accretion expense of \$2,525 which is included in exploration and evaluation assets (note 6).

11. COMMITMENTS AND CONTINGENCIES

As at January 31, 2022, the Company has recorded an accrued liability for certain future costs detailed in the MCP and a rehabilitation provision (note 10) for its environmental liabilities.

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

As at January 31, 2022, the Company believes it has incurred all of its eligible exploration expenditures with respect to its flow-through financings.

The Company has termination and change of control provisions included in its agreements with Management. In the event of a transaction that constitutes a change of control of the Company, certain amounts would be required to be paid out to those individuals based on their annual base fees and salaries. These contracts contain minimum commitments of approximately \$284,000 and additional contingent payments of up to approximately \$850,000. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

12. MANAGEMENT OF CAPITAL

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to support the Company's exploration and corporate activities. In doing so, the Company strives to safeguard its ability to continue as a going concern in order to pursue its principal business of exploration and thereby maximize shareholder returns. As the Company has no revenue from operations, it must self-finance. Historically, the Company has been successful in the past in obtaining financing from private equity placements, however there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

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The Company's capital management objectives, policies and processes have remained unchanged during the three months ended January 31, 2022 and 2021. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than that of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

As at January 31, 2022, the Company is not in compliance with the TSXV capital requirements. The consequences of non-compliance are at the discretion of the TSXV.

13. FINANCIAL INSTRUMENTS

Categories and fair value of financial instruments

The Company's financial instruments consist of cash, investments, amounts receivable, and accounts payable and accrued liabilities. The carrying values of the Company's short-term financial assets and liabilities approximate their fair values due to their short periods to maturity.

The following table summarizes the categories and fair values of the Company's financial instruments:

As at January 31, 2022				
	Carrying Value			Fair Value
	FVTPL	FVTOCI	Amortized Cost	Total
Financial Assets and Liabilities			\$	\$
Cash	-	-	19,913	19,913
Investments	-	-	57,500	57,500
Amounts receivable	-	-	263,406	263,406
Accounts payable and accrued liabilities	-	-	(1,398,621)	(1,398,621)

As at October 31, 2021				
	Carrying Value			Fair Value
	FVTPL	FVTOCI	Amortized Cost	Total
Financial Assets and Liabilities			\$	\$
Cash	-	-	75,281	75,281
Investments	-	-	1,350,000	1,350,000
Amounts receivable	-	-	254,546	254,546
Accounts payable and accrued liabilities	-	-	(1,396,638)	(1,396,638)

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and investments. To minimize the credit risk on cash the Company places the instruments with a high credit quality financial institution.

Liquidity Risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its capital, administrative, and exploration and evaluation expenditures. The objective of this process is to ensure that it secures sufficient cash to meet these planned expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or less or are due on demand and are subject to



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normal trade terms. The Company does not have investments in any asset-backed commercial paper or similar instruments.

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as most of its transactions are in Canadian dollars.

Interest Rate Risk

The Company is not exposed to significant interest rate risk as the interest on the promissory note is a fixed rate.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

14. SUBSEQUENT EVENTS

- a. On February 15, 2022, the Company announced a proposed non-brokered private placement (the "March Offering") of flow-through shares and non-flow-through shares. On March 9, 2022, the Company closed the March Offering, raising aggregate gross proceeds of \$2,447,336 through the issuance of 19,692,335 non-flow-through shares (the "NFT Shares") and 18,082,800 flow-through shares (the "FT Shares"). Each NFT Share was issued at a price of \$.06, and each FT Share was issued at a price of \$.07. The Company paid finder's fees of \$8,261 and issued 137,690 finder warrants exercisable at \$.10 per share for a period of 12 months from the date of closing. All securities issued in the March Offering are subject to a statutory hold period ending July 10, 2022. The net proceeds from the Offering will be used to commission a mineral resource estimate and related deposit characterization, ongoing exploration data compilation and general corporate purposes.
- b. Subsequent to January 31, 2022, the Company entered into a short-term loan agreement with a director of the Company in the amount of \$200,000. The amount is unsecured, non-interest bearing, and due on demand. This loan was repaid on March 9, 2022.