



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED
JULY 31, 2021 AND 2020

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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Management of Signature Resources Ltd. is responsible for the preparation of the accompanying unaudited interim condensed consolidated financial statements. The unaudited interim condensed consolidated 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor. These unaudited interim condensed consolidated 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

September 29, 2021



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

As at	Note	July 31 2021	October 31 2020
		\$	\$
ASSETS			
CURRENT			
Cash		3,585,488	462,184
Investments	4	1,350,000	-
Amounts receivable		360,479	63,100
Prepaid expenses and deposit		76,621	22,686
Total current assets		5,372,588	547,970
Equipment	5	1,360,901	283,913
Exploration and evaluation assets	6	9,569,461	6,401,261
Total assets		16,302,950	7,233,144
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	7,9	2,123,599	1,591,182
Deferred premium liability	14	54,828	-
Total current liabilities		2,178,427	1,591,182
Rehabilitation provision	10	273,847	273,847
Total liabilities		2,452,274	1,865,029
SHAREHOLDERS' EQUITY			
Share capital	8	15,760,357	7,730,552
Contributed surplus	8	3,768,022	2,249,444
Deficit		(5,640,703)	(4,611,881)
Total shareholders' equity		13,887,676	5,368,115
Total liabilities and shareholders' equity		16,302,950	7,233,144

Nature of business and continuing operations (note 1)
 Commitments and contingencies (notes 6, 10 & 12)
 Subsequent event (note 16)

Approved by the Board:

S/ "Paolo Lostritto"
 Director

S/ "Stephen Timms"
 Director

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



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

For the periods ended July 31,	Note	Three months ended,		Nine months ended,	
		2021	2020	2021	2020
		\$	\$	\$	\$
GENERAL AND ADMINISTRATION					
Salaries and wages	7	153,600	76,200	417,480	275,009
Office and general		101,081	19,005	240,920	84,929
Depreciation	5	57,077	20,505	120,043	61,515
Professional fees		50,624	48,802	116,119	158,737
		362,382	164,512	894,562	580,190
Share-based payments	7,8	166,700	15,691	492,962	25,994
NET LOSS BEFORE OTHER ITEMS		(529,082)	(180,203)	(1,387,524)	(606,184)
Premium on flow-through shares income	14	25,475	-	279,864	-
Foreign exchange income (loss)		593	(466)	(262)	445
Interest expense	11	-	(3,552)	-	(10,448)
Gain on forgiveness of debt	8	-	-	79,100	-
NET LOSS AND COMPREHENSIVE LOSS		(503,014)	(184,221)	(1,028,822)	(616,187)
LOSS PER SHARE, basic and diluted		(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares, basic and diluted		238,395,594	110,279,784	170,115,122	108,861,395

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



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

For the nine months ended July 31,	Note	2021	2020
		\$	\$
OPERATING ACTIVITIES			
Net loss for the period		(1,028,822)	(616,187)
Items not affecting cash:			
Depreciation expense	5	120,043	61,515
Share-based payments	8	492,962	25,994
Premium on flow-through shares income	14	(279,864)	-
Interest expense	11	-	10,448
Gain on forgiveness of debt	8	(79,100)	-
Shares issued for services	8	36,000	-
		(738,781)	(518,230)
Changes in non-cash working capital items:			
Amounts receivable		(297,379)	15,702
Prepaid expenses and deposit		(53,935)	17,205
Accounts payable and accrued liabilities		1,003,472	283,474
Net cash used in operating activities		(86,623)	(201,849)
FINANCING ACTIVITIES			
Shares to be issued related to private placement	8	-	(240,804)
Proceeds from private placement	8	8,324,674	514,404
Share issuance costs	8	(265,196)	(29,307)
Proceeds from warrant exercise	8	865,680	-
Net cash provided by financing activities		8,925,158	244,293
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation assets	6	(3,164,871)	(167,468)
Expenditures on equipment	5	(1,200,360)	-
Net cash used in investing activities		(4,365,231)	(167,468)
Net change in cash		4,473,304	(125,024)
Cash and equivalent, beginning of period		462,184	267,639
Cash and equivalent, end of period		4,935,488	142,615
<i>Non-cash activities:</i>			
Depreciation included in exploration and evaluation assets	5	\$3,329	\$3,330
Shares for services	8	\$100,000	\$ -
Shares for debt	8	\$291,955	\$ -

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

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

	Note	Number of Shares #	Number of Shares to be Issued #	Share Capital \$	Shares to be Issued \$	Contributed Surplus \$	Deficit \$	Total \$
Balance, October 31, 2019		101,914,704	4,816,080	6,303,209	240,804	1,484,219	(3,617,720)	4,410,512
Private placement	8	10,288,080	(4,816,080)	514,404	(240,804)	-	-	273,600
Issuance of warrants	8	-	-	(140,779)	-	140,779	-	-
Share issuance costs	8	-	-	(29,307)	-	-	-	(29,307)
Share-based payments	8	-	-	-	-	25,994	-	25,994
Net loss and comprehensive loss for the period	8	-	-	-	-	-	(616,187)	(616,187)
Balance, July 31, 2020		112,202,784	-	6,647,527	-	1,650,992	(4,233,907)	4,064,612
Private placement	8	30,498,020	-	1,545,034	-	-	-	1,545,034
Issuance of warrants	8	-	-	(331,525)	-	331,525	-	-
Share issuance costs	8	-	-	(98,790)	-	-	-	(98,790)
Share-based payments	8	-	-	-	-	266,927	-	266,927
Premium on flow-through shares	14	-	-	(31,694)	-	-	-	(31,694)
Net loss and comprehensive loss for the period		-	-	-	-	-	(377,974)	(377,974)
Balance, October 31, 2020		142,700,804	-	7,730,552	-	2,249,444	(4,611,881)	5,368,115
Private placements	8	78,151,157	-	8,324,674	-	-	-	8,324,674
Share issuance costs	8	-	-	(265,196)	-	-	-	(265,196)
Issuance of warrants	8	-	-	(1,211,132)	-	1,211,132	-	-
Shares issued for acquisition of claims	6	200,000	-	37,000	-	-	-	37,000
Shares issued for debt	8	5,839,093	-	291,955	-	-	-	291,955
Shares issued for services	8	184,615	-	36,000	-	-	-	36,000
Exercise of stock options	8	1,750,000	-	169,674	-	(69,674)	-	100,000
Exercise of warrants	8	8,234,858	-	981,522	-	(115,842)	-	865,680
Share-based payments	8	-	-	-	-	492,962	-	492,962
Premium on flow-through shares	14	-	-	(334,692)	-	-	-	(334,692)
Net loss and comprehensive loss for the period		-	-	-	-	-	(1,028,822)	(1,028,822)
Balance, July 31, 2021		237,060,527	-	15,760,357	-	3,768,022	(5,640,703)	13,887,676

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



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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 2704-401 Bay Street, Toronto, ON M5H 2Y4.

At July 31, 2021, 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 July 31, 2021, the Company has an accumulated deficit of \$5,640,703 (October 31, 2020 - \$4,611,881), working capital of \$3,194,161 (October 31, 2020 - working capital deficiency of \$1,043,212), 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 interim condensed 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 interim condensed 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 at this time and continues to monitor 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 impact at this time.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The Company’s interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting”. Accordingly, these interim condensed consolidated financial statements do not include all information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended October 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”)



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as issued by the International Accounting Standards Board. The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on September 27, 2021.

These interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Signature Exploration Ltd. (formerly, Cool Minerals Inc.) All intercompany amounts and transactions have been eliminated on consolidation.

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in note 3 of the Company's annual financial statements for the year ended October 31, 2020.

The preparation of these financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge on the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgements, 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 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.



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iii. Estimation of restoration, rehabilitation and environmental obligation

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 the period ended July 31, 2021

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

IFRS 3 – Business Combinations (“IFRS 3”) was amended in October 2018 to clarify the definition of a business. This amended definition states that a business must include inputs and a process and clarified that the process must be substantive and the inputs and process must together significantly contribute to operating outputs. In addition it narrows the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

Future Accounting Policies and Standards

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



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constitute a business. The effective date of these amendments is yet to be determined; however, early adoption is permitted. The Company is currently assessing the impact of these standards.

4. INVESTMENTS

As of July 31, 2021, the Company has an interest-bearing guaranteed investment certificate (GIC) in the amount of \$1,350,000 (October 31, 2020 - \$Nil). 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, 2019	\$9,299	\$422,996	\$-	\$432,295
Additions	25,000	-	-	25,000
Balance, October 31, 2020	\$34,299	\$422,996	\$-	\$457,295
Additions	310,199	885,589	4,572	1,200,360
Balance, July 31, 2021	\$344,498	\$1,308,585	\$4,572	\$1,657,655
Accumulated Depreciation				
Balance, October 31, 2019	\$5,890	\$80,616	\$-	\$86,506
Depreciation	2,276	84,600	-	86,876
Balance, October 31, 2020	\$8,166	\$165,216	\$-	\$173,382
Depreciation	34,338	88,653	381	123,372
Balance, July 31, 2021	\$42,504	\$253,869	\$381	\$296,754
Net Book Value				
Balance, October 31, 2020	\$26,133	\$257,780	\$-	\$283,913
Balance, July 31, 2021	\$301,994	\$1,054,716	\$4,191	\$1,360,901

The depreciation for the nine months ended July 31, 2021 of \$123,372 (2020 - \$64,845) includes \$3,329 (2020 - \$3,330) included in exploration and evaluation assets (note 6).

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 (3) different claim blocks. The Company can purchase one-half (1/2) of the NSR of each claim block for \$1.5 million, collectively totaling \$4,500,000 for all three blocks.

On May 11, 2021, the Company announced the acquisition of an additional 45 claims (720 hectares) (the "Claims") along the Southern contact of the Lingman Lake Greenstone Belt. The acquisition increases Signature's land position to over 90% 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 \$0.20 per common share.

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

	Lingman Lake
Balance, October 31, 2019	\$5,838,911
Staking	6,000
Consulting expenses	202,725
Geophysical consulting	37,847
Contract labour	50,178
Logistics	117,907
Travel and lodging	30,351
Equipment rentals	2,268
Depreciation (note 5)	4,439
Airborne survey	37,044
Field supplies	73,591
Balance, October 31, 2020	\$6,401,261
Consulting expenses	214,548
Geophysical and geological consulting	207,196
Contract labour	571,651
Logistics	604,113
Travel and lodging	456,564
Equipment rentals	4,778
Depreciation (note 5)	3,329
Airborne survey	462,589
Field supplies	612,787
Salaries and wages	30,645
Balance, July 31, 2021	\$9,569,461

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 July 31, 2021, the Company owes \$25,312 (October 31, 2020 - \$322,459) to executives of the Company for unpaid salaries and wages. Other amounts owing to related parties at July 31, 2021, total \$36,629 (October 31, 2020 - \$40,738). These amounts are included in accounts payable and accrued liabilities (note 9). They are unsecured, non-interest-bearing, with no fixed terms of repayment.

8. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

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

- i. On November 6, 2019, the Company closed a non-brokered private placement for gross proceeds of \$322,104 by issuing 6,442,080 non-flow-through units at the price of \$0.05



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per unit. Cash proceeds of \$240,804, related to the private placement were received prior to October 31, 2019 and were included in shares to be issued as at October 31, 2019 (note 8(c)). Each non-flow-through unit consists of one common share of the Company and one warrant. Each warrant is exercisable for a period of two years at a price of \$0.10 per share from the date of issuance. The Company issued a total of 6,442,080 warrants with an estimated value of \$84,564 in connection with this private placement. With respect to the warrants, if the Company's closing share price is equal to or greater than \$0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. Total issuance costs of \$13,577 were incurred in connection with this private placement.

- ii. On June 15, 2020, the Company closed a non-brokered private placement for gross proceeds of \$192,300 by issuing 3,846,000 non-flow-through units at a price of \$0.05 per unit. Each non-flow-through unit consists of one common share of the Company and one warrant. Each whole warrant is exercisable for a period of two years at a price of \$0.10 per share from the date of issuance. The Company issued a total of 3,846,000 warrants with an estimated value of \$50,381 in connection with this private placement. The Company also issued finder's warrants to purchase 286,000 common shares, exercisable for a period of two years at a price of \$0.05 per share with an estimated value of \$5,834. With respect to the warrants and finders' warrants, if the Company's closing share price is equal to or greater than \$0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. Total issuance costs of \$15,730 were incurred in connection with this private placement.
- iii. On August 25, 2020, the Company closed the first tranche of its non-brokered private placement. In the first tranche, the Company raised aggregate gross proceeds of \$1,170,034 by issuing 22,560,686 hard dollar units at a price of \$0.05 per unit and 700,000 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 22,910,686 warrants with an estimated value of \$241,440 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 for a period of 2 years from the date of issuance. With respect to the warrants, if the Company's closing share price is equal to or greater than \$0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. A director of the Company subscribed for 400,000 hard dollar units for proceeds of \$20,000.

The Company issued total 1,018,800 finder's warrants with a total estimated value of \$17,759 in connection with the first tranche. 948,800 finders' warrants with an estimated value of \$16,651 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of \$0.05 and 70,000 finders' warrants with an estimated value of \$1,108 were issued pursuant to the sale of flow through units exercisable to acquire one common share at a price of \$0.06 for a period of 24 months following closing of the tranche.

The total premium on the flow-through shares was \$7,000 (note 14).



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- iv. On September 14, 2020, the Company closed the second and final tranche of its non-brokered private placement (see first tranche above). In the second tranche, the Company raised additional gross proceeds of \$375,000 by issuing 5,924,000 hard dollar units at a price of \$0.05 per unit and 1,313,334 flow-through units at a price of \$0.06 per unit. Total proceeds from both tranches were \$1,545,034. 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 6,580,667 warrants with an estimated value of \$65,996 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 for a period of 2 years from the date of issuance. With respect to the warrants, if the Company's closing share price is equal to or greater than \$0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release.

The Company issued total 360,400 finder's warrants with a total estimated value of \$6,329 in connection with the second tranche. 312,400 finders' warrants valued at \$5,556 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of \$0.05 and 48,000 finders' warrants valued at \$773 were issued pursuant to the sale of flow through units exercisable to acquire one common share at a price of \$0.06 for a period of 24 months following closing of the tranche.

The total premium on the flow-through shares was \$31,694 (note 14).

Total issuance costs of \$98,790 were incurred in connection with the first and second tranches of the private placement.

- v. 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 at a deemed price of \$0.05 per common share to settle \$291,955 of outstanding debt. Upon completion of the shares for debt transactions, an additional \$79,100 of debt was forgiven.
- vi. 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.
- vii. On December 4, 2020, the Company closed its non-brokered private placement previously announced on November 9, 2020 and November 24, 2020. 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



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Company issued a total of 29,994,199 warrants with a value of \$338,506 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 \$14,581 in connection with the private placement. 700,000 finders' warrants valued at \$11,983 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 \$2,598 were issued pursuant to the sale of flow-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.

The total premium on the flow-through shares was \$142,940 (note 14).

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

- viii. 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.

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 \$152,058 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 \$9,277.

The total premium on the flow-through shares was \$136,924 (note 14).

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

- ix. 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.

- x. 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.

- xi. 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).

- xii. 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



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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.

The Company issued a total of 6,553,656 non-flow-through warrants with a value of \$351,898 and issued 5,482,796 flow-through warrants with a value of \$296,867 in connection with this private placement.

The Company issued a total of finder's warrants with a total value of \$32,143 in connection with the private placement. 500,625 finders' warrants valued at \$20,195 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 \$11,948 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 \$54,828 (note 14).

Total issuance costs of \$107,677 were incurred in connection with the private placement.

xiii. During the nine months ended July 31, 2021, 8,234,858 warrants were exercised at prices ranging from \$0.05-\$0.15 per unit, for gross proceeds of \$865,620. Total amount of \$115,842 was transferred from contributed surplus to share capital.

c) Shares to be issued

Cash proceeds of \$240,804, related to the first tranche of a private placement closed in November 2019, was received prior to October 31, 2019 (note 8(b)). During the year ended October 31, 2020, the total value of \$240,804 in shares to be issued was transferred to share capital.

d) 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. An option shall vest in the manner imposed by the Board of Directors as a condition at the grant date.



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The following table summarizes the stock options activity for the year ended October 31, 2020 and the nine months ended July 31, 2021:

	Number of Options	Weighted Average Exercise Price \$
Balance at October 31, 2019	6,325,000	0.078
Granted	4,100,000	0.090
Forfeited	(500,000)	0.120
Expired	(250,000)	0.050
Balance at October 31, 2020	9,675,000	0.082
Granted	11,725,000	0.104
Exercised	(1,750,000)	0.057
Expired	(125,000)	0.055
Balance at July 31, 2021	19,525,000	0.097

The following table summarizes the outstanding stock options at July 31, 2021:

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	1.58-2.25	3,450,000	3,450,000
Jun. 17 - Nov. 7, 2019	0.05 - 0.075	2.88 - 3.27	350,000	350,000
Apr. 1 - Aug. 17, 2020	0.05 - 0.10	1.67-4.05	4,000,000	3,625,000
Nov. 1 - Dec. 23, 2020	0.065 - 0.13	0.40 - 4.40	8,575,000	3,262,500
Jan. 19 - Feb.16, 2021	0.11 - 0.13	4.47 - 4.55	800,000	250,000
May 10 - Jun. 23, 2021	0.16 - 0.20	2.78 - 4.90	2,350,000	662,500
	0.097	3.77	19,525,000	11,600,000

- i. On November 7, 2019, the Company issued 100,000 options to a consultant. The options have an exercise price of \$0.05 and expire on November 7, 2024. The options vest immediately upon issuance.
- ii. On April 1, 2020, the Company issued 500,000 options to a consultant. The options have an exercise price of \$0.05 and expire on April 1, 2023. The options vest quarterly over a period of twelve months with one quarter vesting three months from the date of issuance and each additional one quarter of the options vesting quarterly thereafter.
- iii. On July 14, 2020, the Company issued 250,000 options to a director. The options have an exercise price of \$0.05 and expire on July 14, 2025. The options vest immediately upon issuance.
- iv. On August 17, 2020, the Company issued 3,250,000 options to directors, officers and consultants. The options have an exercise price of \$0.10 and expire five years from the date of issuance and vest immediately upon issuance.



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- v. 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.
- vi. 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.
- vii. 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. The remaining 75,000 stock options have an exercise price of \$0.13, expire one year from the date of issuance and vest immediately upon issuance.
- viii. 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 issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.
- ix. 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 issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.
- x. On February 12, 2021, 200,000 options were granted to an advisor. The options have an exercise price of \$0.12, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.
- xi. On February 16, 2021, 200,000 options were granted to an advisor. The options have an exercise price of \$0.12, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.
- xii. On May 10, 2021, the Company issued 100,000 options to a consultant. The options have an exercise price of \$0.20 and three years from the date of issuance. The options vest immediately upon issuance.
- xiii. On June 23, 2021, 2,250,000 options were granted to a consultant. The options have an exercise price of \$0.16, expire five years from the date of issuance, and vest 25% immediately, and 12.5% every six months thereafter through to the third anniversary.

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The fair value of the Company's stock options issued was estimated using the Black-Scholes option pricing model using the following assumptions for the periods ended July 31:

	2021	2020
Expected volatility (based on historical share prices)	110%-137%	107%-134%
Risk-free interest rate	0.22%-0.97%	0.35%-1.59%
Expected life (years)	1-5	3-5
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Underlying share price	\$0.07-\$0.175	\$0.04-\$0.05

The compensation expense and charge to contributed surplus relating to the vesting of stock options for the nine months ended July 31, 2021 was \$492,962 (2020 - \$25,994). The average fair value of each option granted during the nine months ended July 31, 2021 was approximately \$0.06-\$0.12 (2020 - \$0.02-\$0.04).

(e) Warrants

The following is the warrants activity for the year ended October 31, 2020 and the nine months ended July 31, 2021:

	Number of Warrants	Weighted Average Exercise Price \$
Balance at October 31, 2019	17,816,199	0.233
Granted	41,444,633	0.169
Expired	(15,995,464)	0.209
Balance at October 31, 2020	43,265,368	0.100
Granted	48,274,082	0.143
Exercised	(8,234,858)	0.105
Balance at July 31, 2021	83,304,592	0.124

For the nine months ended July 31, 2021, the fair value of the Company's warrants issued, was estimated using the Black-Scholes option pricing model, using the following assumptions:

	2021	2020
Expected volatility (based on historical share prices)	132%	99%-109%
Risk-free interest rate	0.24%-0.27%	0.25%-1.65%
Expected life (years)	1-1.33	2
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Underlying share price	\$0.13-\$0.15	\$0.04-\$0.05

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The following table summarizes the warrants outstanding at July 31, 2021:

Grant Date	Exercise Price \$	Weighted Average Remaining Life (yrs)	Number of Warrants Outstanding
November 7, 2019	0.10	0.27	5,766,080
June 15, 2020	0.05 - 0.10	0.87	4,132,000
August 25, 2020	0.05 - 0.10	1.07	21,429,486
September 11, 2020	0.05 - 0.10	1.12	6,750,667
December 4 - 17, 2020	0.05 - 0.20	0.35 - 0.71	32,407,464
July 9, 2021	0.16 - 0.25	0.94 - 1.94	12,818,895
	0.124	0.87	83,304,592

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	July 31, 2021	October 31, 2020
Accounts payable	\$1,192,908	\$546,828
Accrued liabilities - ENDM ⁽¹⁾	884,325	884,325
Other accrued liabilities	46,366	160,029
	\$2,123,599	\$1,591,182

(1) Prior to the acquisition of Signature Exploration Ltd. and the Lingman Lake Property, the Ministry of Energy, Northern Development and Mines ("ENDM") 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 ENDM's request for it to be cleaned up, ENDM took action and managed the disposition of the fuel at a cost of \$884,325.

10. REHABILITATION PROVISION

The rehabilitation provision represents the legal and contractual obligations associated with the eventual closure of the Company's mining operations either progressively or at the end of the mine life. These obligations consist of costs associated with reclamation and monitoring activities and the removal of tangible assets from the Company's mining sites. Historical work done by other companies on the Company's mining sites resulted in the ENDM issuing an order to the Company requiring the filing of a closure plan. Cost estimates for certain tasks which will be required to be completed as part of the request from ENDM have been recorded as a rehabilitation provision, based on preliminary estimates.

The total amount of the Company's rehabilitation provision was estimated, at initial recognition, to be \$230,000. As at July 31, 2021, the present value of the rehabilitation provision has been estimated at \$273,847 (October 31, 2020 - \$273,847).

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

As at	July 31, 2021	October 31, 2020
Balance at beginning of period	\$273,847	\$273,847
Accretion expense	-	-
	\$273,847	\$273,847

Subsequent to period end, the Company filed a draft closure plan with ENDM and is awaiting comments from the Ministry. Additional expenditures may be required but cannot be estimated at period end.

11. PROMISSORY NOTE

On June 3, 2019, the Company issued a promissory note for a principal amount of \$164,000, which matured on September 1, 2019. The Company signed an extension through September 30, 2020. The note bears a fixed interest rate of 8% per annum on the unpaid portion of the principal amount until fully repaid, accruing on a monthly basis and payable on the maturity date. During the year ended October 31, 2020, the Company repaid the full principal amount including interest of \$182,315. Total accrued interest for the nine months ended July 31, 2021 is \$nil (2020 - \$10,448).

12. COMMITMENTS AND CONTINGENCIES

As at July 31, 2021, the Company has recorded a rehabilitation provision for its environmental liabilities (note 10).

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 July 31, 2021, the Company is required to incur the remaining \$1,869,929 of eligible exploration expenditures in respect of its March 18, 2021 and July 9, 2021 flow-through financings by December 31, 2022 (note 14).

13. 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.

The Company's capital management objectives, policies and processes have remained unchanged during the periods ended July 31, 2021 and 2020. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which



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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.

14. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the interim condensed consolidated statements of loss and comprehensive loss on a pro-rata basis based on the corresponding eligible exploration expenditures that have been incurred. Total premium liability of \$334,692 was recognized in respect of the December 4, 2020, December 17, 2020 and July 8, 2021 flow-through financings (note 8).

During the three months ended July 31, 2021, \$25,475 (2020 - \$nil) of the deferred premium liability was recognized as income in the interim condensed consolidated statements of loss and comprehensive loss. A total premium of \$279,864 (2020 - \$nil) was recognized for the nine months then ended.

As at July 31, 2021, the total premium liability remaining was \$54,828 (October 31, 2020 - \$nil) and the total remaining commitment was \$1,869,929 (October 31, 2020 - \$nil) (note 12).

15. 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 July 31, 2021				
	Carrying Value			Fair Value
	FVTPL	FVTOCI	Amortized Cost	Total
Financial Assets and Liabilities			\$	\$
Cash	-	-	3,585,488	3,585,488
Investments	-	-	1,350,000	1,350,000
Amounts receivable	-	-	360,479	360,479
Accounts payable and accrued liabilities	-	-	(2,123,599)	(2,123,599)
As at October 31, 2020				
	Carrying Value			Fair Value
	FVTPL	FVTOCI	Amortized Cost	Total
Financial Assets and Liabilities			\$	\$
Cash	-	-	462,184	462,184
Amounts receivable	-	-	63,100	63,100
Accounts payable and accrued liabilities	-	-	(1,591,182)	(1,591,182)



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Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash the Company places the instrument 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 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.

16. SUBSEQUENT EVENT

On August 4, 2021, the Company announced that it had granted a combined total of 1,600,000 incentive stock options to the incoming Board and Advisory Board members pursuant to their appointments. The options have an exercise price of \$0.16, expire five years from the date of issuance, and vest as to 25% on the date of grant and 12.5% every six months thereafter, through to the third anniversary of the grant.