



SIGNATURE RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTH PERIODS ENDED APRIL 30, 2018 AND 2017

INTRODUCTION

The following discussion and analysis is a review of operations, current financial position and outlook for Signature Resources Ltd. (the "Company" or "Signature") for the three and six months ended April 30, 2018, and 2017, including other pertinent events subsequent to that date up to and including June 28, 2018. The following information should be read in conjunction with the audited financial statements for the year ended October 31, 2017. Amounts are reported in Canadian dollars.

This MD&A provides managements view of the financial condition of the Company and the results of its operations for the reporting periods indicated. Additional information related to Signature is available as filed on the Canadian Securities Administrators' website at www.sedar.com.

FORWARD-LOOKING INFORMATION

This Management Discussion and Analysis contains forward-looking statements. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Management's analysis only as of the date hereof. Readers should be aware that the Company is under no obligation to publicly release the results of any revision to these forward-looking statements, which may not reflect circumstances, or occurrences of unanticipated events after the date of this document.

DESCRIPTION OF BUSINESS

The Company was incorporated on May 3, 2010, and is a reporting issuer in the provinces of British Columbia and Alberta and is listed on the TSX Venture Exchange ("TSXV") under the symbol "SGU" and on the OTCQB under the symbol "SGGTF". The Company's principal business activity is the identification and evaluation of mineral resource assets in Canada, with a focus on precious metals. The Company's current focus is on the exploration of its Lingman Lake gold property.

The Lingman Lake gold property consists of four free hold patented claims and 762 single cell staked claims. Total land package amounts to 15,372.3 hectares. 275.5 hectares of the property total include 14 mineral rights patents, the acquisition closing of which is pending TSXV approval. The property hosts a historical estimate of 234,684 oz of gold* (1,063,904 tonnes grading 6.86 g/t with 2.73 gpt cut-off) and includes what has historically been referred to as the Lingman Lake Gold Mine, an underground substructure consisting of a 126.5-meter shaft, and 3-levels at 46-meters, 84-meters and 122-meters depths.

***Cautionary Note.** This historical resource estimate is based on prior data and reports obtained and prepared by previous operators, and information provided by governmental authorities. A Qualified Person has not done sufficient work to verify the classification of the mineral resource estimates in accordance with current CIM categories. The Company is not treating the historical estimate as a current NI 43-101-compliant mineral resource estimate. Accordingly, this historical estimate should not be relied upon. Establishing a current mineral resource estimate on the Lingman Lake deposit will require further evaluation, which the Company and its consultants intend to complete in due course. Additional information regarding historical resource estimates is available in the technical report entitled, "Technical Report on the Lingman Lake Property" dated December 20, 2013, prepared by Walter Hanych, P.Geol. and Frank Racicot, P.Geol., available on the Company's SEDAR profile at www.sedar.com

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Increased Land Package

On June 25, 2018, the Company announced the closing of the Lingside Property as announced on May 15, 2018 (see below), under which it has issued 5,000,000 common shares of the Company at a deemed issue price of \$0.12 per common share for aggregate consideration of \$600,000, and granted to the vendor a 3% net smelter returns royalty applicable to minerals produced from the Property. Shares issued pursuant to the Lingside claims acquisition are subject to a statutory four-month plus one day hold period, which will expire on October 26, 2018.

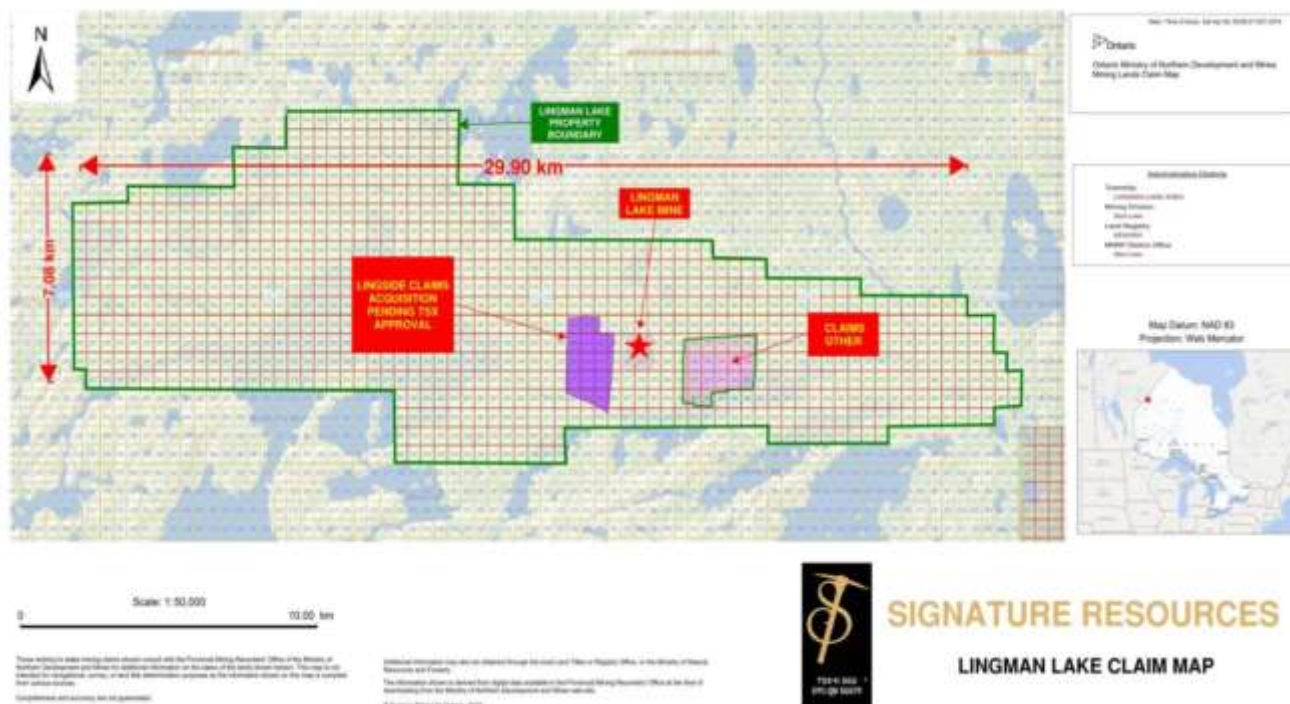
On May 15, 2018, the Company announced that it has signed a binding asset purchase agreement (the "Agreement") to acquire the Lingside Property (the "Property"), a property consisting of 14 patented mineral rights claims located in the Kenora District, Province of Ontario totaling 275.5 hectares.

Pursuant to the terms of the Agreement, which are subject to final approval by the TSXV, Signature shall pay to the vendor \$600,000, payable by the delivery of 5,000,000 common shares in the capital of the Company at a deemed issue price of \$0.12 per common share, and will grant to the vendor a 3% net smelter returns royalty (the "Royalty") applicable to minerals produced from the Property. The Company may at any time repurchase one-half of the Royalty for \$1,500,000.

On April 30, 2018, the Company announced the staking of an additional 157 single cell claims totaling 3,099.2 hectares. The claims, in part, cover the eastern extension of the favourable gold trend by approximately 8 kilometers.

During the year ended October 31, 2017, the Company staked 38 additional claims totaling 9,280 hectares. The Company is aware of numerous mineral occurrences throughout the new staked claims, including one area with over 40 reported occurrences. The new claims were staked along a 22 kilometer gold trend. The trend is defined by the contact between volcanic and granitic rocks along the north margin of the Lingman Lake greenstone belt. The Lingman Lake gold deposit, known as the Lingman Lake gold mine, which Signature is currently actively exploring and developing and which hosts an historic estimate of 234,684 oz of gold, is associated with this contact.

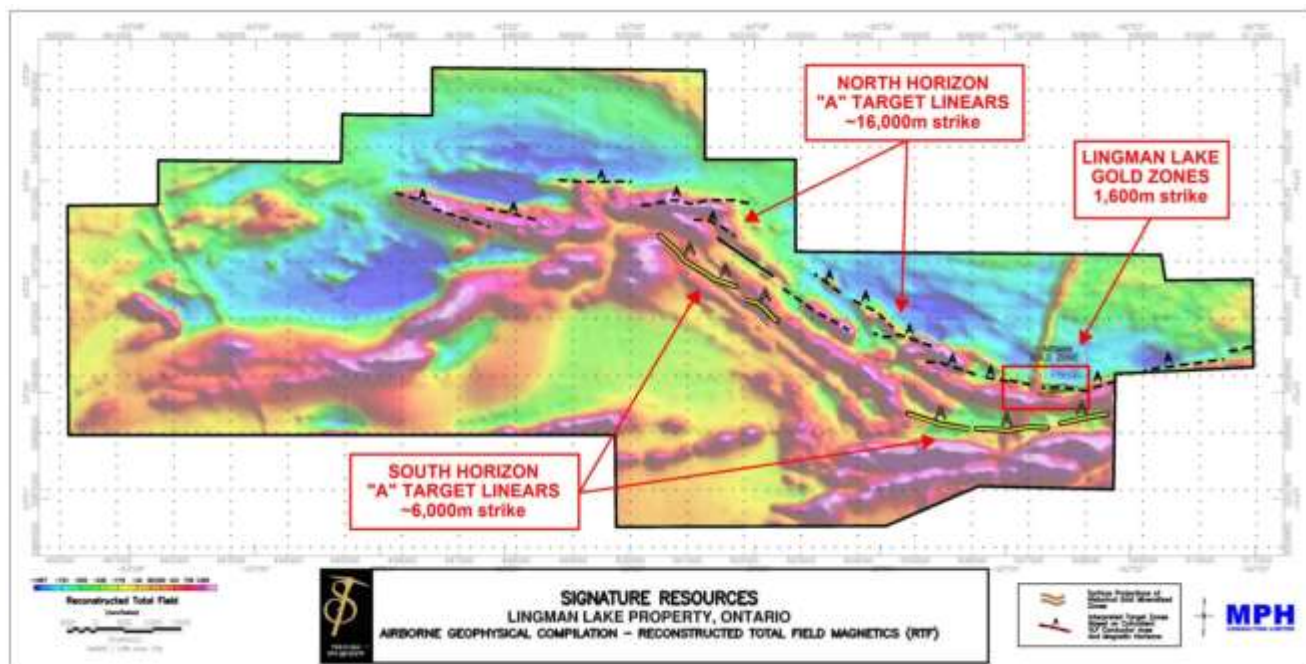
The area with over 40 reported mineralized occurrences is located 15-kilometers west of Signature's Lingman Lake gold mine property. Numerous blast trenches and limited drilling have been performed in the past in this area. Gold, silver, molybdenite, galena, chalcopyrite and sphalerite mineralization have been reported from these occurrences. The Company will be continuing to review historical assessment filings, among other data available on the claims that have been staked.



Field Program and Exploration

On November 8, 2017, the Company announced that it has commissioned Terraquest Ltd. to undertake an airborne survey of its Lingman Lake property. The survey which will cover the majority of Signature’s 9,896.8 hectare property will comprise of the following components; high resolution aeromagnetics, digital matrix VLF-EM and pending snow conditions radiometrics. Due to challenging weather conditions, the Company had delays with flying the airborne survey. The digital Matrix VLF-EM data was acquired using a 50 meter line-spacing and a ground clearance of 70-80 meters. The airborne survey was completed on March 27, 2018.

An image of the reconstructed total field magnetics from the airborne survey is presented below highlighting key areas identified:



The results of the airborne survey were analyzed and shows the gold mineralized zones at Lingman Lake display correlation to both the magnetic and electromagnetic components of the survey. The Company identified an initial approximately 16 kilometers of priority target horizons for gold mineralization with 12 high priority targets that are recommended for ground evaluation along the North Horizon.

Upon continued analysis, the Company received additional interpretation of its airborne geophysical data. The interpretation defines a new horizon (“South Horizon”) with multiple high priority targets. The geophysical response of the South Horizon is similar to that observed for the Lingman Lake gold mineralized zones, in both the Magnetic and VLF data. The South Horizon contains 6 high priority targets. The South Horizon collectively is 6.2 kilometers long and is separated from the 16 kilometers long North Horizon, by approximately 900 meters.

On June 11, 2018, the Company announced that inversion of a test block of data for the Terraquest Matrix VLF system has identified resistivity lows that are coincident with both the Northern and Southern Target Horizons, which contain multiple high priority targets. The test of the VLF inversion method clearly shows distinct lows that are probably due to fracturing and alteration along interpreted ~East-West controlling structures. This response is clearly observed for the Lingman Lake gold mineralized zones within the Northern Horizon and the new Southern Horizon.

Historical Drilling and Re-Assaying

In January, 2017, the Company received the results from its program under which it re-assayed samples from 22 holes. The sampling component was two-fold; 1) sample past intervals for confirmation of historic results, 2) test sections of previously un-sampled core exhibiting geological-mineralogical characteristics for potential gold enrichment. The objectives of this program were; to confirm the historic database, potentially identify new zones and extensions to known zones. Key details of the results were:

- 450 were duplicates which produce a 94% correlation with historical drill results
- 17% of the core duplicates (77 samples) yielded results at or above 5 gpt
- Hole 87-54 returned a current assay of 140.14 gpt along a core interval of 0.49 m within a wider interval of 1.7 m which includes 1.10 m of 71.34 gpt resulting in a calculated weighted average of 92.51 gpt
- The Company performed a field program of mapping, prospecting and outcrop sampling under which it located multiple other satellite showings
- 21 grab samples were obtained from outcroppings of gold zones, which generated results of up to 125.28 gpt.

A summary from the re-sampling and assaying of the core is as follows:

Hole No.	From meters	To meters	Length meters	W Avg gpt
87-14	74.28	80.10	5.82	3.41
87-15	10.82	14.23	3.41	7.55
	137.40	143.80	6.40	2.77
87-24	9.36	10.67	1.31	19.92
	49.38	55.93	6.55	4.44
87-25	49.38	54.41	5.03	8.38
87-34	47.85	51.21	3.35	10.46
87-38	42.67	45.72	3.05	4.10
87-54	5.39	6.58	1.19	11.85
	87.48	88.70	1.22	4.31
	168.74	170.32	1.58	92.51
87-55	6.55	9.54	2.99	10.98
	72.54	76.20	3.66	2.78
	56.39	61.66	5.27	3.28
87-63	72.79	75.29	2.50	11.01
87-68	94.49	97.72	3.23	5.08
87-73	69.80	78.94	9.14	13.98
88-06	166.42	169.47	3.05	6.86
88-15	47.85	61.17	13.32	2.93
88-29	36.58	39.93	3.35	3.85
Hole No.	From meters	To meters	Length meters	W Avg gpt
88-48	84.43	88.09	3.66	2.63
88-49	14.63	16.46	1.83	3.87
	45.51	49.99	4.48	12.04
	76.23	84.73	8.50	2.36
88-55	148.53	158.31	9.78	2.72
88-56	151.03	153.92	2.90	8.57
	156.70	158.50	1.80	3.54

With the successful implementation of the program and the highly favourable results, the QA/QC report concluded; “In the Qualified Person’s opinion, the assay data is adequate for the purpose of verification of historic drill core assays and for future resource estimation calculations”, Dr. J. Selway, Ph.D. P.Geo., Caracle Creek International Consulting Ltd.

Financing

On June 25, 2018, the Company announced that further to its press release of May 15, 2018 (see below), it has closed the first tranche (the “First Tranche”) of a non-brokered private placement for gross proceeds of \$600,000 by issuing 5,000,000 non-flow-through units. No finders’ fees were issued in conjunction with the closing of the First Tranche. The Company intends to close on additional tranches for up to another \$900,000.

On May 15, 2018, the Company announced that it will conduct a non-brokered private placement (the “Offering”), subject to the approval of the TSXV for aggregate gross proceeds of up to \$1,500,000. The Offering will consist of non-flow-through units (the “NFT Units”) at a price of \$0.12 per NFT Unit, and flow-through unit (the “FT Unit”) at a price of \$0.14 per FT Unit.

Each NFT Unit will consist of one common share of the Company and one warrant (a “Warrant”). Each FT Unit will consist of one flow-through common share and one-half of one Warrant. Each whole Warrant will entitle the holder thereof to acquire an additional common share (a “Warrant Share”) of the Company at an exercise price of \$0.25 per Warrant Share for a period of 2 years from the date of issuance, provided that if after four months and one day following the closing of the Offering, the closing price of the Company’s common shares on the TSXV is equal to or greater than \$0.40 for 10 consecutive trading days, then the Company may accelerate the expiry date of the Warrants by disseminating a press release and in such case the Warrants will expire on the 30th day after the date on which such press release is disseminated by the Company.

Subject to TSXV approval, finder’s fees of up to 7% cash and 7% warrants may be paid to persons who introduce the Company to investors in the Offering.

Proceeds of this Offering will be used to further finance the Company’s prospecting, drilling and other exploration and development expenses and activities and for general corporate purposes.

On December 22, 2017, the Company announced the closing of the second and final tranche of its previously-announced non-brokered financing announced on November 14, 2017 (see below). Together with the first tranche, the financing has resulted in aggregate proceeds of approximately \$757,000.

The Company raised gross proceeds of \$440,000 pursuant to the second tranche through the issuance of 1,500,000 hard-dollar units at a price of \$0.08 per unit, and 3,200,000 flow-through units at a price of \$0.10 per unit. Each hard-dollar unit consists of one common share of the Company and one common share purchase warrant (“Hard-Dollar Units”). Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant (“Flow-Through Units”). Each whole warrant is exercisable to purchase one common share at a price of \$0.15 for a period of 24 months

from the issue date. If the Company's closing share price is equal to or greater than \$0.25 for ten consecutive days, the Company may reduce the remaining life of the warrants to 90 days by issuing a press release.

On November 14, 2017, the Company announced that it closed the first tranche of a non-brokered private placement for gross proceeds of \$317,000. Pursuant to the financing, the Company issued an aggregate of 1,900,000 Hard-Dollar Units and 1,650,000 Flow-Through Units.

On July 21, 2017, the Company announced that the Lingman Lake property qualified under the provisions of the Junior Exploration Assistance program and has received the maximum allowed grant of \$100,000.

On December 30, 2016, the Company closed a private placement of flow-through common shares issued for aggregate gross proceeds of \$321,496. The financing comprised of the issuance of 2,473,045 flow-through shares, which were issued at a price of \$0.13. Officers and directors of the Company subscribed for 50,000 shares for gross proceeds of \$6,500.

Other Corporate

On May 8, 2018, the Company announced that it has appointed Dr. Dimitrios Kostopoulos to its advisory board.

SUMMARY OF QUARTERLY RESULTS

Quarter-Ended	04/30/2018	01/31/2018	10/31/2017	07/31/2017	04/30/17	01/31/17	10/31/16	07/31/16
	\$	\$	\$	\$	\$	\$	\$	\$
Net sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss for the period	(194,197)	(92,035)	(108,906)	(92,284)	(113,459)	(110,090)	(127,857)	(71,437)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	4,141,691	4,326,692	3,772,590	3,653,769	3,720,056	3,792,223	3,643,743	3,479,891
Long-term liabilities	247,167	245,176	243,202	241,243	239,300	237,373	235,535	233,565
Cash dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

During the quarter ended April 30, 2018, the Company showed a net loss of \$194,197 (2017 – \$113,459). Salaries and wages remained consistent year over year, however, the Company had an increase in professional fees of approximately \$23,399 related to the engagement of additional consultants, and certain costs associated with applying for DTC eligibility. The Company also recorded an increase in share-based payments of \$59,293 year over year due to the issuance of additional options to officers, directors and consultants during the period. The increase in office and general period over period of \$15,569 related to additional travel costs incurred.

During the quarter ended January 31, 2018, the Company showed a net loss of \$92,035, which mainly consists of salaries and wages of \$60,400, office and general expenses of \$35,721 and professional fees of \$6,000. The Company also recognized premium on flow-through shares income of \$15,022.

During the quarter ended October 31, 2017, the Company showed a net loss of \$108,906, which mainly consists of salaries and wages of \$60,000, office and general expenses of \$27,873 and professional fees of \$19,364.

During the quarter ended July 31, 2017, the Company showed a net loss of \$92,284, which mainly consists of salaries and wages of \$60,000, office and general expenses of \$20,328 and share-based payments of \$8,082.

During the quarter ended April 30, 2017, the Company showed a net loss of \$113,459, which mainly consists of salaries and wages of \$60,000, office and general expenses of \$45,985 and professional fees of \$10,160.

During the quarter ended January 31, 2017, the Company showed a net loss of \$110,090, which mainly consists of salaries and wages of \$60,000, office and general expenses of \$35,413 and share-based payments of \$17,890.

During the quarter ended October 31, 2016, the Company showed a net loss of \$127,857, which mainly consists of salaries and wages of \$60,000 and share-based payments of \$28,219. During this quarter, the Company initiated its first field program since completing its acquisition of the Lingman Lake Property, which led to increased costs during the period.

During the quarter ended July 31, 2016, the Company showed a net loss of \$71,437, which mainly consists of salaries and wages of \$28,000 and consulting fees of \$15,000. During this quarter, the Company successfully completed a financing, which allowed it to move forward with a field program during Q4.

MINERAL PROPERTY EXPENDITURES

The Company incurred the following expenditures on its mining exploration properties:

	Lingman Lake
	\$
Balance, October 31, 2016	3,180,166
Consulting expenses	120,000
Assay	47,392
Geological consulting	56,357
Contract labour	13,400
Logistics	9,961
Travel and lodging	45,165
Equipment rentals	2,500
Depreciation	6,287
Field supplies	6,445
Staking	37,657
Government assistance received	(100,000)
Balance, October 31, 2017	3,425,330
Consulting expenses	61,200
Geological consulting	5,175
Contract labour	1,850
Travel and lodging	5,141
Equipment rentals	1,319
Depreciation	6,445
Field supplies	4,253
Airborne survey	172,655
Staking	7,900
Geophysical consulting	4,825
Balance, April 30, 2018	3,696,093

LIQUIDITY AND CAPITAL RESOURCES

As of April 30, 2018, the Company had cash and short-term investments of \$303,801 (October 31, 2017 - \$270,180) and a working capital deficit of \$708,805 (October 31, 2017 - \$786,234). The Company still requires additional financing to pay for capital expenditures, exploration and administrative costs required to move the business forward. The Company has a history of operating losses and of negative cash flows from operations. While management identifies projects of merit for acquisition, the Company will remain reliant on capital markets for future funding to meet its ongoing obligations.

As at June 27, 2018, the Company's working capital deficit is approximately \$179,367.

Prior to the acquisition of Cool Minerals and the Lingman Lake Property, the Ministry of Northern Development and Mines ("MNDM") had requested the removal of certain above ground storage tanks

containing approximately 800,000 litres of fuel, which was considered a mine hazard. Due to the failure of the prior owners to comply with MNDM's request for it to be cleaned up, MNDM took action and managed the disposition of the fuel at a cost of \$884,325. This liability is presented on the Company's statement of financial position as a current liability.

OUTSTANDING SHARE DATA

For information regarding outstanding share capital of the Company, please see the table presented below as at June 28, 2018.

Common shares	90,721,524
Options	6,560,000
Warrants	33,888,233
Fully diluted share capital	131,169,757

Private Placement

On November 14, 2017, the Company closed the first tranche of a non-brokered private placement for gross proceeds of \$317,000. The Company issued an aggregate of 1,900,000 hard dollar units and 1,650,000 flow-through units.

On December 22, 2017, the Company closed its second and final tranche of a non-brokered private placement and raised gross proceeds of \$440,000 through the issuance of 1,500,000 hard dollar units and 3,200,000 flow-through units.

On June 25, 2018, the Company closed the first tranche of a non-brokered private placement for gross proceeds of \$600,000 by issuing 5,000,000 non-flow-through units.

Exercise of Warrants

During the year ended October 31, 2017, 2,033,050 warrants with an exercise price of \$0.05 were exercised. Of this amount exercised, 1,000,000 shares were issued subsequent to year end.

During the six months ended April 30, 2018, 3,170,000 warrants with an exercise price of \$0.05 were exercised and 64,300 warrants with an exercise price of \$0.05 were expired unexercised.

Stock Options

During the three months ended April 30, 2018, the Company issued 2,900,000 options exercisable at \$0.08 per share and exercisable for five years following the date of grant. The options vest 25% at issuance and an additional 25% every six-month anniversary from issuance.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has issued a 3% net smelter royalty that has been issued over the entire Lingman Lake

property, including the East Lingman Properties, excluding the 38 additional claims totaling 9,280 hectares.

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 April 30, 2018, the Company owes \$20,952 (October 31, 2017 - \$90,050) to executives of the Company for unpaid salaries and wages which remains in accounts payable. These amounts are included in accounts payable and accrued liabilities and are unsecured, non-interest bearing and due on demand.

FINANCIAL INSTRUMENTS

As at April 30, 2018, the Company's financial instruments consist of cash, short-term investments, amounts receivable and accounts payable and accrued liabilities. The fair value of these financial instruments approximate carrying value since they are short-term in nature and are receivable or payable on demand.

CRITICAL ESTIMATES

Significant assumptions about the future and other sources of estimation uncertainty that management has made during the reporting period could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. These critical estimates relate to, but are not limited to, the following:

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

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 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.

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 assumptions about them.

ACCOUNTING POLICIES

Accounting standards issued but not yet effective:

Effective for annual periods beginning on or after November 1, 2018:

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 2 – Share-based Payment (“IFRS 2”) was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRIC 23 - Uncertainty Over Income Tax Treatments (“IFRIC 23”) was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity

shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

The Company has not early adopted these new or revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring and exploring natural resource properties in Canada. Due to the nature of the Company's proposed business and the present stage of exploration of its resource properties, which are at very early stages, the following risk factors, amongst others, will apply:

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that any future exploration programs will result in the establishment or expansion of resources or reserves.

Exploration and Development Risks

The business of exploring for minerals and mining involves a high degree of risk. There is no assurance the Company's mineral exploration activities will be successful. Few properties that are explored are ultimately developed into producing mines. In exploring and developing any future mineral deposits the Company will be subjected to an array of complex economic factors and technical considerations. Delays in obtaining governmental approvals, inability to obtain financing or other factors could cause delays in exploring and developing properties. Such delays could materially adversely affect the financial

performance of the Company. Unusual or unexpected formations, formation pressures, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, environmental hazards, the discharge of toxic chemicals and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company has limited experience in the development and operation of mines and in the construction of facilities required to bring mines into production. The Company has relied and may continue to rely upon consultants and others for operating expertise. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Financing

The Company's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for a minimum of twelve months. Currently, the Company does not have sufficient funds on hand to continue operating for the next twelve months as they have previously been and will need to obtain additional financing. The Company has no formal credit facilities at this time and given the Company's current stage of development, it is not expected that such credit facilities would be available to the Company.

Future exploration, development, mining, and processing of minerals from any of the Company's future properties will require substantial additional financing. The only current sources of funds available to the Company are the sale of additional equity capital, which if available, may result in substantial dilution to existing shareholders. There is no assurance that such funding will be available to the Company, or that it will be obtained on terms favourable to the Company. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interests.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Management believes the Company's overall liquidity risk has increased from the prior year due to the current global credit crisis and lack of financing available in the equity markets.

Difficulties in Raising Development Capital

Recent market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems and the deterioration of the Canadian, United States and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its capital requirements to pursue the acquisition and exploration of any significant mineral projects or to secure its

share of development financing following a decision to place any of its current or future mineral properties into production (whether on its own or on a joint venture basis).

Share Price Volatility

Worldwide securities markets, particularly those in North America, have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development stage companies, have experienced unprecedented fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Most significantly, the share prices of junior natural resource companies have experienced an unprecedented decline in value and there has been a significant decline in the number of buyers willing to purchase such securities.

In addition, significantly higher redemptions by holders of mutual funds has forced many of such funds (including those holding the Company's securities) to sell such securities at any price. As a consequence, despite the Company's past success in securing significant equity financing, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all.

Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Permits and Licenses

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delay or failure to obtain such licenses and permits or failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Acquisition of Mineral Concessions under Agreements

In the junior natural resource industry, it is typical for companies to enter into option agreements which allow the optionee to acquire the property over time while performing initial exploration activities. If the Company continues to enter into these types of agreements, the Company may have to make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

Environmental and Other Regulatory Requirements

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory approval and there is no assurance that such approvals will be obtained. Although the Company believes its mineral and exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Uninsured Risks

The Company may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure against or which it may elect not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available for exploration and mining activities. In particular, the Company is not insured for environmental liability or earthquake damage.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of base metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company currently does not maintain liability insurance against such liabilities. Although the Company currently intends to obtain insurance when it commences operations of reasonable significance, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

Title Matters

Often, the mining claims in which the Company could acquire an interest in have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims would not be converted to lease and tenure, and are, accordingly, subject to annual compliance with assessment work requirement. Other parties may dispute the Company's title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements, first nation's land claim or transfers of land claims and titles which may be affected by undetected defects.

Conflicts of Interest

Certain of the Company's directors and officers serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Fluctuation of Metal Prices

The market price of precious metals and other minerals is volatile and cannot be controlled. If the price of precious metals and other minerals should drop significantly, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if commercial quantities of ore are discovered, a profitable market may exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of minerals, the effect of which cannot be accurately predicted.

KEY PERSONNEL

Walter Hanych, Director, President and CEO

Keith McDowell, Director

Jonathan Held, Director, CFO

Stephen Timms, Director

ADVISORY BOARD

Dr. Scott Jobin-Bevans

Paolo Lostritto

Asad Sultan

Dr. Dimitrios Kostopoulos

Additional information is available on SEDAR at www.sedar.com or <http://www.signatureresources.ca/>.