



**SIGNATURE**  
R E S O U R C E S

**SIGNATURE RESOURCES LTD.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE YEARS ENDED OCTOBER 31, 2020 AND 2019**

## 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 years ended October 31, 2020, and 2019, including other pertinent events subsequent to that date up to and including February 24, 2021. The following information should be read in conjunction with the audited financial statements for the years ended October 31, 2020 and 2019. Amounts are reported in Canadian dollars.

This MD&A provides management's 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](http://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", on the OTCQB under the symbol "SGGTF", and on the FSE under the symbol "3S3". 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 1066 staked claims, four free hold full patented claims and 14 mineral rights patented claims totaling approximately 20,124 hectares. The property hosts an 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](http://www.sedar.com)

## OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

### 2020 Field Campaign

On October 7, 2020, the Company successfully completed its two-part field program and has demobilized its field crew from its Lingman Lake gold property in northern Ontario. The program focused on a borehole survey and a geological field program that sets up the Company for a productive 2021 exploration program.

#### **Part 1: Borehole Survey**

The first phase of this program was to undertake borehole north-seeking gyro surveys of 104 holes drilled in the 1980's and one hole from 2018. This represented a total of 18,773m for testing. These holes were selected as a representation of drilling into all the zones across the strike, width and depth of the deposit.

Of the 104 holes to be surveyed 47% were successfully completed and the Company believes that these holes are representative of all the zones. The Company is very pleased with the professional surveying services completed by IMDEX. This information will greatly assist in calculating a new more accurate resource model and determining the location of new drill holes.

#### **Part 2: Geological Field Work and Sampling**

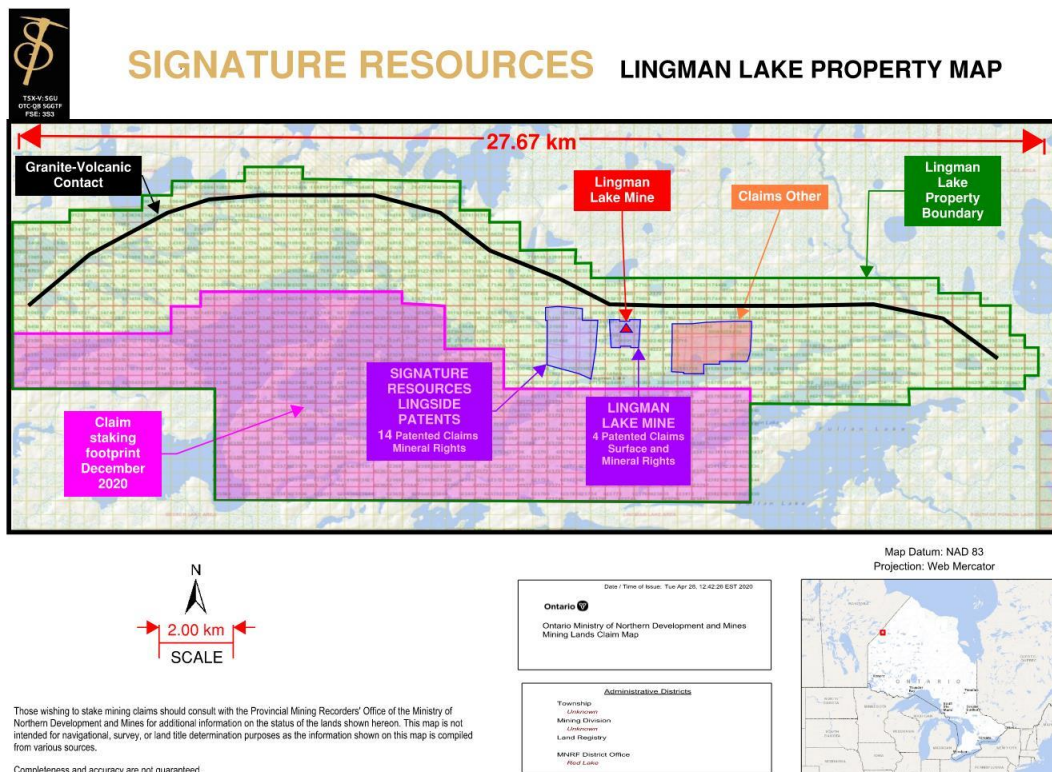
The Company also had a team of geologists and prospectors visit six pre-determined target areas as defined by a combination of geophysical interpretations of the airborne survey results, geological mapping, structural interpretation and a detailed review of high resolution visual satellite imagery. While exploring the target areas, numerous new rusty zones of shearing, silicification and pyrite mineralization, were encountered by the field crews. This style of mineralization, encountered by the field crews, was similar to what is found in the area around the Lingman Lake mine site, which in the Company's opinion, is extremely positive for continuing exploration for new discoveries.

A total of 93 grab samples, six standards and three banks were submitted for assaying. These samples were delivered by the project geologist to Purolator's office in Winnipeg for couriating to SGS laboratories in Red Lake Ontario. The three areas, which yielded significant grab sample results, and are referenced in the table below, occur along a 20.2-kilometer strike length and are associated with the granite-volcanic contact. This contact is an important feature, because elements which includes complex folding-shearing, faulting and zones of high silica-quartz veining, felsic intrusions and gold-base metal mineralization are spatially related to it. This relationship characterizes the Lingman Lake mine gold zones. The map below illustrates this relationship.

Target Area	Sample No.	Au g/t	Target Area	Sample No.	Au g/t
5A	FR-012	2.117	3	FR-035	2.044
	FR-016	0.696		BK-004	0.342
	BK-003	0.432		FR-023	0.186
	VL-003	0.244		FR-033	0.162
	VL-004	0.211			
	MC-001	0.192			
6	FR-053	1.025			
	FR-051	0.113			
	FR-018	0.112			

Although areas 2 and 5B were prospected, time limitations and overburden conditions hampered prospecting. These areas remain high priority and will be explored in the future.

Area 4 is a high priority area away from the north granite-volcanic contact. Instead, it is a structurally complex fold closure zone. The area was not investigated as a suitable helicopter landing site was not available. This area will be prospected in the future and will require an overland access route.



### **NI 43-101 Technical Report**

On February 13, 2020, the Company filed a new Technical Report in accordance with National Instrument 43-101 –*Standards of Disclosure for Mineral Projects* (“NI 43-101”) on its 100% owned Lingman Lake project. The Technical Report, titled “*National Instrument 43-101 Technical Report on the Lingman Lake Gold Property, Lingman Lake Area, District of Kenora (Patricia Portion), Ontario, Canada,*” (effective date of January 31, 2020) has been prepared by Mr. J. Siriunas, P.Eng. and Mr. W. Hanych, P.Geo., and is available on SEDAR ([www.sedar.com](http://www.sedar.com)) under Signature’s issuer profile.

This report serves as an update to the 43-101 technical report titled “*Technical Report on The Lingman Lake Property, Lingman Lake Area, District of Kenora, Ontario, Canada,*” (effective date of December 20, 2013).

### **Drilling Programs**

On January 25, 2021, the Company provided an update on its 100% owned Lingman Lake Gold Project (“Project”) located in Northwestern Ontario. Camp preparation on the Company’s patented claims is underway for a 2,500 meter drill program, which is targeted to commence late February - early March.

On October 21, 2020, the Company received gold assay results from its Exploration Program conducted in September, 2020.

During this short, successful, helicopter supported program 92 grab samples were collected and assayed, from 5 separate target areas, by a team of two professional geologists, one geo-technician and one prospector. From the 92 samples, 14 assayed above 0.1 g/t Au, with values ranging from 2.117 to 0.112 g/t Au. The top 14 of these assays are shown in the table below.

<b>Sample #</b>	<b>Au g/t</b>	<b>Target Area</b>
FR-012	2.117	5A
FR-035	2.044	3
FR-053	1.025	6
FR-016	0.696	5A
BK-003	0.432	5A
BK-004	0.342	3
VL-003	0.244	5A
FR-048	0.225	6
V L-004	0.211	5A
MC-011	0.192	5A
FR-023	0.186	3
FR-033	0.162	3
FR-051	0.113	6
FR-018	0.112	6

Regarding Quality Assurance and Quality Control; standards and blanks were inserted at 10 sample intervals or so for analyses in the assay sample stream. In addition, the lab also inserted their standards. The field samples were delivered by the project geologist to Purolator in Winnipeg, Manitoba for delivery to SGS laboratories in Red Lake, Ontario. The samples were analyzed by SGS's method GE\_AA30V5 which involves fire assaying a crushed pulverized 30-gram sample followed by an AAS (atomic absorption spectroscopy) finish.

The results from this current prospecting work will help determine the continuity of the shear system and possible associated mineralization. Further prospecting, mapping, and sampling is planned for next summer.

On November 13, 2018, the Company reported the results of drill holes 18-09 and 18-10 which targeted the South and Central Zones at the company's Lingman Lake gold property located in northwestern Ontario. Highlights from the zones drilling are summarized below.

- Drill hole 18-09, South Zone; returned 3.0 meters with an average grade of 12.20 grams per tonne gold (from 55.0 to 58.0 meters). True width is estimated at ~2.3 meters.
- Drill hole 18-09, Central Zone "A"; returned 9.0 meters with an average grade of 6.55 grams per tonne gold (from 65.0 to 74.0 meters). True width estimated at ~ 6.9 meters.
- Drill Hole 18-09, Central Zone "B"; returned 4.0 meters with an average grade of 4.27 grams per tonne gold (from 81.0 to 85.0 meters). True width estimated at ~ 3.1 meters.
- Drill hole 18-10, South Zone; returned 14.0 meters with an average grade of 8.56 grams per tonne (from 22.0 to 36.0 meters). True width is estimated at ~10.7 meters. (Includes 5.0 meters with an average grade of 16.61 grams per tonne from 30.0 to 35.0 meters with a true width of 3.8 meters). Hole collared in vicinity of 45-01 which returned 3.9 meters of 22.60 grams per tonne gold.

On November 8, 2018, the Company reported the results of drill holes 18-03, 18-04 and 18-05, which targeted the North Zone at the Company's Lingman Lake gold property located in northwestern Ontario. Highlights from the North Zone drilling are summarized below.

- Drill hole 18-05 returned 8.0 meters with an average grade of 17.87 grams of gold per tonne (from 95.0 to 103.0 meters). True width is estimated at ~6.9 meters.
- Drill hole 18-03 returned 4.0 meters with an average grade of 6.84 grams of gold per tonne (from 82.0 to 86.0 meters). True width is estimated at ~3.5 meters.

On November 5, 2018, the Company reported the results of drill holes 18-01 and 18-02, which targeted the West Zone at the company's Lingman Lake gold property located in northwestern Ontario. Drilling in the West Zone, the first holes to be reported on herein, is highlighted by the following:

- Drill hole 18-01 returned 9.50 meters with an average grade of 12.15 grams per tonne gold (from 35.5 to 45.0 meters). True width is estimated at ~8.23 meters.
- Drill hole 18-02 returned 5.0 meters with an average grade of 13.65 grams per tonne (from 100.0 to 105.0 meters). True width is estimated at ~4.33 meters.

On October 11, 2018, the Company completed a high resolution GPS survey of the diamond drill casings from the drill campaigns conducted from 1987 to 1989. 84% of the drill casings, from a total of 154 drill holes were located.



On September 18, 2018, the Company completed the drill program of 12 holes and a total of 1,518 meters was completed. Eleven of the holes intersected significant alteration and sulphide mineralization that are typically related to the known gold-bearing mineralization at Lingman Lake. This was the first drill program completed at Lingman Lake since the late 1980's.

On September 10, 2018, the Company reported that it had completed 8 of 12 holes in the drilling program, and initial core observations show numerous characteristics which are typically associated with gold and which have historically been reported with identified zones. Drill hole 18-03 targeting the North Zone of mineralization at Lingman Lake is an example, which has intersected two sections of variably altered and sheared rock. Visual examination of the core reveals that the zones are a bleached, moderately to highly silicified and carbonatized, variably pyritic and highly foliated rock. The foliation is the result of high shear strain, which is an environment conducive to fluid movement and possible gold mineralization.

The following intersections have been observed: Meterage is measured down hole and reflects core interval. The hole was drilled at an azimuth of 360 degrees, (true north) and at a -45 degree dip angle to intersect steeply south dipping (70-80 degree) east-west striking lithological-deformational trends.

44.35 - 53.55 meters (9.20-meter length); with up to 5% pyrite in the upper and lower 2 to 3-meter shoulders of the section. See image below of this intercept.

64.47 - 77.23 (12.76-meter length); very chloritic with pervasive carbonate and brecciated appearance with 5% pyrite in upper <1 meter of the intersection.



**Image Description:** Image of core run for hole 18-03 showing intersection of North Zone between 44.35 and 53.55 meters down the hole. See description above. Photo taken on site at Lingman Lake mine, September 8<sup>th</sup>, 2018. The drill hole pierced the North Zone about 10 to 16 meters below the 150 Level drift (46-meter depth, east-west underground tunnel) of the mine. The intercept is below a 41-meter length of this drift, which historical records indicate averaged 15.4 grams of gold per tonne.

## Increase of Land Position - Claims 2020

In December 2020, the Company staked an additional 462 cells covering an area South of the Lingman Lake patented claims and across the southern claim boundary to the western claim boundary. Total claims now consist of 1066 Single Cell Crown Land Claims, 14 Mineral Rights patents, 4 Mineral and Surface Rights patents totaling 20,124 Hectares.

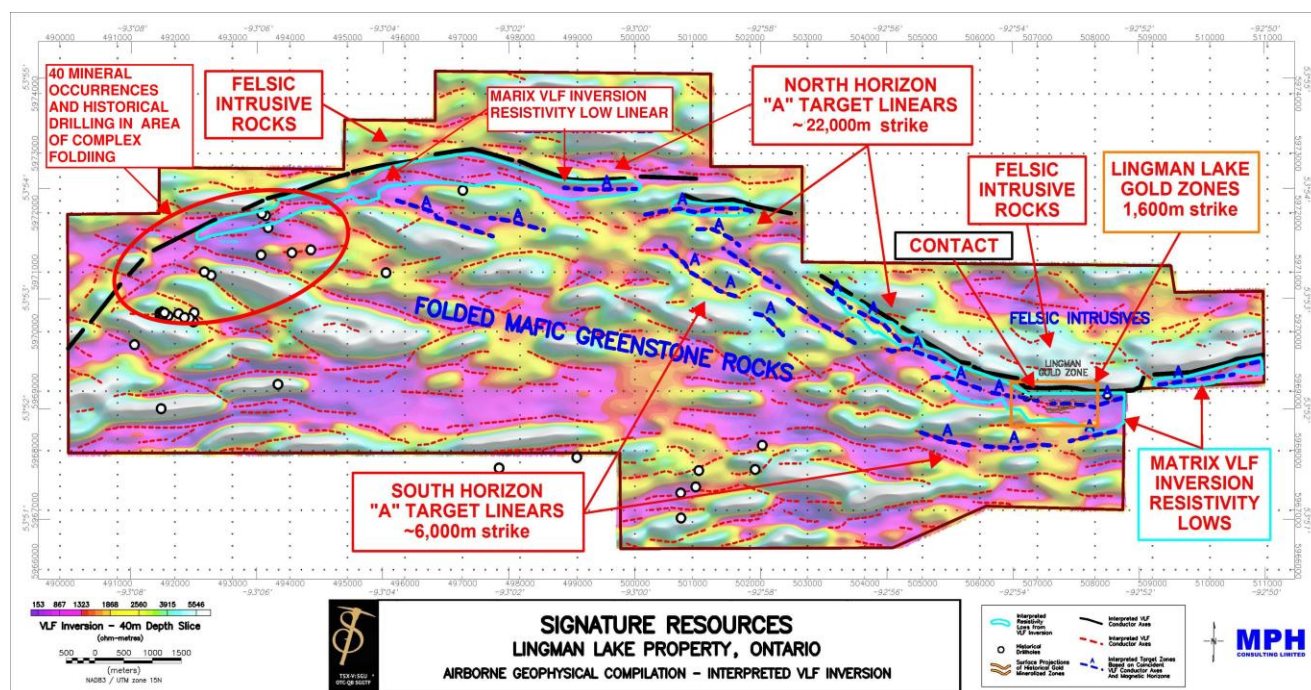
On July 14, 2020, the Company acquired by staking 5 kilometers of the eastern portion of the Lingman Lake greenstone belt covering its northern and eastern contact. In addition, 12 fill-in single cell claims were staked on the northern contact and 3 boundary claims were staked.

On August 17, 2020, as a result of the geophysical/structural evaluation, the Company acquired by staking an additional 21 single cell claim units covering approximately 420 hectares.

## *Airborne Survey*

The Company commissioned Terraquest Ltd. to undertake an airborne survey of its Lingman Lake property in late 2017. This covers the majority of Signature's property at that time and is comprised of the following components; high resolution aeromagnetics, digital matrix VLF-EM and pending snow conditions radiometrics. 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.

The Company performed an inversion of a test block of data for the Terraquest Matrix VLF system, which identified resistivity lows that are coincident with both the Northern and Southern Target Horizons that 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.

### ***Financing***

On December 17, 2020, the Company closed a non-brokered private placement financing raising gross proceeds of \$1,000,000. The Company issued 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 issued on a flow-through basis and one half of one warrant. Each whole warrant issued will be exercisable into one common share at a price of \$0.20 for a period of sixteen months.

In connection with the financing, the Company paid aggregate cash finder's fees of \$62,300 and issued 205,386 finder's warrants. Each finder's warrant is exercisable to acquire one common share at a price of \$0.13 for a period of 16 months following closing of the financing.

On December 4, 2020, the Company closed its non-brokered private placement raising gross proceeds of \$2,000,000. The Company issued 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 issued on a flow-through basis and one half of one warrant. Each whole warrant issued will be exercisable into one common share at a price of \$0.10 until December 4, 2021.

In connection with the offering, the Company paid aggregate cash finder's fees of \$43,481 and issued 832,557 finder's warrants. Each finder's warrant is exercisable to acquire one common share for a period of 12 months following closing of the offering.

On September 14, 2020, the Company closed the second and final tranche of its non-brokered private placement. The first tranche was closed on August 25, 2020. Through the two tranches, the Company raised gross proceeds of \$1,545,034 by issuing 28,484,686 hard dollar units at a price of \$0.05 per unit and 2,013,334 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. 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 1,261,200 finder's warrants exercisable at \$0.05 and issued 118,000 finders' warrants exercisable at \$0.06 for a period of two years.

Total cash issuance costs of \$98,790 were incurred in connection with the first and second tranches of the private placement. The total premium on the flow-through shares in connection with the first and second tranches of the private placement was \$31,694.

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 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 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.

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 \$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. 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.

On April 18, 2019, the Company closed a non-brokered private placement for gross proceeds of \$136,555 by issuing 1,820,735 non-flow-through units at \$0.075 per unit. No finders' fees were issued in conjunction with the closing. 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 \$0.15 per share from the date of issuance. With respect to the warrants, 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 to 30 days by issuing a press release. Total issuance costs of \$2,780 were incurred in connection with this private placement.

In November 2018, 1,000,000 stock options were exercised with an exercise price of \$0.05. The exercise price was settled with amounts owing to the option holders.

### ***Other Corporate***

On February 17, 2021, the Company appointed Rickardo Welyhorsky as an advisor to the Company.

On January 27, 2021, the Company appointed John Hayes as an advisor to the Company.

On January 19, 2021, the Company appointed Dan Denbow as an advisor to the Company.

On January 5, 2021, the Company engaged VRIFY Technology Inc. to implement their communication platform to assist in showcasing the Lingman Lake project.

On December 23, 2020, the Company engaged Nordmin Engineering Ltd. (“Nordmin”) to provide technical services.

On November 12, 2020, the Company appointed of Robert Vallis as President, CEO, and Director.

On November 9, 2020, the Company appointed of Paolo Lostritto as the Chairman of the Board.

On June 26, 2019, the Company announced that it was trading on the FSE under the symbol 3S3.

### *Shares for Debt*

On November 9, 2020, the Company entered into debt settlement agreements with certain creditors of the Company, including certain directors and officers. Pursuant to these agreements, the Company issued 5,839,093 common shares to settle \$291,955 of outstanding debt (collectively, the “Shares for Debt Transactions”). Upon completion of the Shares for Debt Transactions, an additional \$79,100 of debt was forgiven. The Company issued 2,172,031 common shares to a director to settle \$108,602 of debt.

## **SUMMARY OF ANNUAL RESULTS**

	October 31, 2020	October 31, 2019	October 31, 2018
Total Income	\$Nil	\$Nil	\$Nil
Net Loss	\$994,161	\$746,232	\$520,344
Net Loss per Share, Basic and Diluted	\$(0.01)	\$(0.01)	\$(0.01)
Total Assets	\$7,233,144	\$6,521,860	\$6,128,486
Total Long-term Debt	\$Nil	\$Nil	\$Nil
Cash Dividends	\$Nil	\$Nil	\$Nil

During 2020, the Company incurred a net loss of \$994,161, which mainly consists of salaries and wages expense of \$340,809 (2019 - \$304,800), office and general expenses of \$115,640 (2019 - \$180,630), professional fees of \$186,346 (2019- \$104,711) and share-based payments of \$292,921 (2019 - \$83,469). The increase in net loss of \$247,929 was mainly due to an increase in share-based payments of \$209,452 as a result of options granted in August 2020, which fully vested upon grant date, and therefore, the entire amount was expensed in the period. There was also an increase in professional fees of \$81,635 due to additional consultants hired and legal fees incurred in relation to the continued business development.

During 2019, the Company incurred a net loss of \$746,232, which mainly consists of salaries and wages expense of \$304,800 (2018 - \$264,000), office and general expenses of \$180,630 (2018 - \$198,809), and professional fees of \$104,711 (2018- \$130,729). There was an increase of \$40,800 in salaries and wages

due to certain one-time non-recurring payments made. There was a decrease of \$101,107 in share-based payments as fewer share options were granted in the current period compared to the prior year.

During 2018, the Company incurred a net loss of \$520,344, which mainly consists of salaries and wages expense of \$264,000 (2017 - \$240,000), office and general expenses of \$198,809 (2017 - \$129,599), share-based payments of \$184,576 (2017 - \$37,878) and professional fees of \$130,729 (2017 - \$38,374). There was an increase of \$69,210 in office and general expense due to shareholder outreach activities. There was also an increase of \$92,355 in professional fees related to its DTC eligibility application, as well additional consultants and legal fees incurred with relation to the continued business development. The increase of \$146,698 in share-based payments was a result of additional stock options granted during the year.

## SUMMARY OF QUARTERLY RESULTS

Quarter-Ended	10/31/2020	07/31/2020	04/30/2020	01/31/2020	10/31/2019	07/31/2019	04/30/2019	01/31/2019
	\$	\$	\$	\$	\$	\$	\$	\$
Net sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss for the period	(377,974)	(184,221)	(202,441)	(229,525)	(129,110)	(236,443)	(168,388)	(212,291)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	7,233,144	6,469,882	6,368,956	6,345,606	6,521,860	6,272,055	6,200,201	5,872,887
Long-term liabilities	273,847	273,847	273,847	273,847	273,847	271,679	269,528	267,394
Cash dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

During the quarter ended October 31, 2020, the Company incurred a net loss of \$377,974 (2019 - \$129,110), which consisted mainly of salaries and wages of \$65,800 (2019 - \$29,791), office and general of \$30,711 (2019 - \$42,559), professional fees of \$27,609 (2019 - \$23,161) and share-based payments of \$266,927 (2019 - \$7,739). The increase in net loss of \$248,864 was mainly the result of increases in salaries and wages of \$36,009 and share-based payments of \$259,188, net of a decrease in office and general expenses of \$11,848 and premium on flow-through shares recovery of \$31,694.

During the quarter ended July 31, 2020, the Company incurred a net loss of \$184,221 (2019 - \$236,443), which consisted mainly of salaries and wages of \$76,200 (2019 - \$76,200), office and general of \$19,005 (2019 - \$79,061) and professional fees of \$48,802 (2019 - \$30,476). The decrease in net loss of \$52,222 was mainly the result of decreases in office and general expenses of \$60,056 and share-based payments of \$10,710, net of an increase in professional fees of \$18,326. Office and general expenses decreased due to lower marketing and promotion expenses compared to prior year period. Stock-based payments decreased as the expenses related to the vesting of options in the current period were lower than prior year period. The Company incurred more legal fees and costs associated with business development in the current period.

During the quarter ended April 30, 2020, the Company incurred a net loss of \$202,441 (2019 - \$168,388), which consisted mainly of salaries and wages of \$76,200 (2019 - \$76,200), office and general of \$27,288 (2019 - \$24,661) and professional fees of \$72,095 (2019 - \$33,170). The increase in net loss of \$34,053 was mainly the result of an increase in professional fees of \$38,925 and depreciation of \$8,730, net of a decrease in share-based payments of \$17,130. The Company incurred more legal fees and costs associated

with business development in the current period. The Company issued more stock options in the prior year period resulting in higher share-based expenses compared to the current period.

During the quarter ended January 31, 2020, the Company incurred a net loss of \$229,525 (2019 - \$212,291), which consisted mainly of salaries and wages of \$122,609 (2019 - \$122,609), office and general of \$38,636 (2019 - \$34,349) and professional fees of \$37,840 (2019 - \$17,904). The increase in net loss of \$17,234 was mainly the result of an increase in professional fees of \$19,936 and depreciation of \$13,541, net of a decrease in share-based payments of \$21,896. The Company incurred more legal fees and costs associated with business development in the current period. The Company did not issue any new options in the current period compared to prior year period.

During the quarter ended October 31, 2019, the Company incurred a net loss of \$129,110 (2018 - \$96,094), which consisted mainly of salaries and wages of \$29,791 (2018 - \$76,200), office and general of \$42,559 (2018 - \$47,960) and professional fees of \$23,161 (2018 - \$53,781). The increase in net loss of \$33,016 was mainly the result of the following: A decrease in premium on flow-through shares income of \$166,226 as the Company no longer has any remaining deferred premium liability compared to prior year; net of decreases in professional fees of \$30,620 and share-based payments of \$65,396. The Company incurred less legal fees and costs associated with business development in the current period. The Company did not issue any new options in the current period compared to prior year period.

During the quarter ended July 31, 2019, the Company incurred a net loss of \$236,443 (2018 - \$138,018), which consisted mainly of salaries and wages of \$76,200 (2018 - \$66,200), office and general of \$79,061 (2018 - \$53,574), professional fees of \$30,476 (2018 - \$37,389), and share-based payments of \$26,401 (2018 - \$40,670). The increase in net loss of \$98,425 was mainly the result of the following: increases in office and general expenses of \$25,487 and depreciation expense of \$20,505, and a decrease in the premium on flow-through income of \$61,322. Marketing and promotion expenses were higher in the current period, which increased the office and general expenses year over year. The Company included depreciation expense in exploration and evaluation assets in the prior year, which resulted in an increase in depreciation expense in the current period. The Company did not recognize any deferred premium income in the current period as it no longer has any remaining deferred premium liability.

During the quarter ended April 30, 2019, the Company incurred a net loss of \$168,388 (2018 - \$194,197), which consisted mainly of salaries and wages of \$76,200 (2018 - \$61,200), office and general of \$24,661 (2018 - \$61,554), professional fees of \$33,170 (2018 - \$33,559), and share-based payments of \$21,066 (2018 - \$67,885). The decrease in net loss of \$25,809 was mainly the result of the following: decreases in office and general expenses of \$36,893 and share-based payments of \$46,819, net of a decrease in the premium on flow-through shares income of \$32,068. The Company did not issue any stock options in the current period compared to prior period, which resulted in lower stock option expenses year over year. Travel and shareholder outreach activities costs were also lower in the current period which resulted in a decrease in office and general expenses year over year. The Company did not recognize any deferred premium income in the current period as it no longer has any remaining deferred premium liability.

During the quarter ended January 31, 2019, the Company showed a net loss of \$212,291 (2018 - \$92,035), which consisted mainly of salaries and wages of \$122,609 (2018 - \$60,400), office and general of \$34,349 (2018 - \$35,721) and share-based payments of \$28,263 (2018 - \$2,886). Salaries and wages increased by \$62,209 year over year, as a result of an increase in management fees in the current period. Professional fees increased by \$11,904, as a result of additional consultants and legal fees incurred with relation to the continued business development. There was also an increase in share-based payments of \$25,377 year over year due to the vesting of options granted to consultants in the previous period.



## MINERAL PROPERTY EXPENDITURES

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

	<b>Lingman Lake</b>
	\$
Balance, October 31, 2018	5,399,612
Staking	3,325
Consulting expenses	187,605
Geophysical consulting	81,941
Contract labour	12,650
Logistics	13,466
Travel and lodging	11,618
Equipment rentals	2,016
Depreciation	5,927
Field supplies	37,751
Drilling	83,000
<b>Balance, October 31, 2019</b>	<b>5,838,911</b>
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	4,439
Airborne survey	37,044
Field supplies	73,591
<b>Balance, October 31, 2020</b>	<b>6,401,261</b>

## LIQUIDITY AND CAPITAL RESOURCES

As of October 31, 2020, the Company had cash of \$462,184 (October 31, 2019 - \$267,639) and a working capital deficit of \$1,043,212 (October 31, 2019 - \$1,500,341). 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.

During the year ended October 31, 2019, the Company took on a promissory note in the amount of \$164,000. The entire proceeds of the promissory were used to purchase the drill that is currently on site. During the year ended October 31, 2020, the Company repaid the entire promissory note with interest for a total of \$182,315.

As at February 24, 2021, the Company's working capital is approximately \$1,317,984.

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 February 24, 2021.

Common shares	195,477,242
Options	16,900,000
Warrants	78,520,555
<b>Fully diluted share capital</b>	<b>290,897,797</b>

### *Common shares*

In November 2018, 1,000,000 stock options were exercised with an exercise price of \$0.05.

On April 18, 2019, the Company closed a non-brokered private placement for gross proceeds of \$136,555 by issuing 1,820,735 non-flow-through units at \$0.075 per unit.

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 \$0.05 per unit.

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 \$0.05 per unit.

On August 25, 2020, the Company closed the first tranche of a non-brokered private placement for gross proceeds of \$1,170,034 by issuing 22,560,686 non-flow through units at \$0.05 per unit and 700,000 flow-through units at \$0.06 per unit.

On September 14, 2020, the Company closed the second and final tranche of a non-brokered private placement for 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.

In November 2020, 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.

In November 2020, 1,000,000 options with an exercise price of \$0.055 and 750,000 options with an exercise price of \$0.06 were exercised.

On December 4, 2020, the Company closed its non-brokered private placement for 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.

On December 17, 2020, the Company closed its non-brokered private placement for 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.

### *Warrants*

During the year ended October 31, 2019, 169,613 warrants with an exercise price of \$0.13 per common share expired unexercised.

In November 2019, the Company issued 6,442,080 warrants with an exercise price of \$0.10.

In June 15, 2020, the Company issued 3,846,000 warrants with an exercise price of \$0.10 and issued 286,000 broker warrants with an exercise price of \$0.05.

On August 25, 2020, the Company issued 22,910,686 warrants with an exercise price of \$0.10, and 948,800 broker warrants with an exercise price of \$0.05 (issued pursuant to the sale of hard dollar units), and 70,000 broker warrants with an exercise price of \$0.06 (issued pursuant to the sale of flow-through units).

On September 14, 2020, the Company issued 6,580,667 warrants with an exercise price of \$0.10, and 312,400 broker warrants with an exercise price of \$0.05 (issued pursuant to the sale of hard dollar units), and 48,000 broker warrants with an exercise price of \$0.06 (issued pursuant to the sale of flow-through units).

During the year ended October 31, 2020, 15,995,464 warrants expired unexercised.

On December 4, 2020, the Company issued 29,994,201 warrants with an exercise price of \$0.10, and 700,000 broker warrants with an exercise price of \$0.05 (issued pursuant to the sale of hard dollar units), and 132,557 broker warrants with an exercise price of \$0.06 (issued pursuant to the sale of flow-through units).

On December 17, 2020, the Company issued 4,432,045 warrants with an exercise price of \$0.20, and 205,386 broker warrants with an exercise price of \$0.13 (issued pursuant to the sale of flow-through units).

Subsequent to October 31, 2020, 200,000 warrants with an exercise price of \$0.05 were exercised into common shares.

### *Stock Options*

In November 2018, 1,000,000 stock options were exercised with an exercise price of \$0.05. 400,000 stock options with an exercise price of \$0.05 expired unexercised.

In January 2019, 35,000 stock options with an exercise price of \$0.10 expired unexercised.

In June 2019, the Company issued 250,000 options to a consultant. The options have an exercise price of \$0.075 and expire on June 17, 2024. The options vested immediately upon issuance.

In August 2019, 100,000 stock options with an exercise price of \$0.06 expired, unexercised.

In November 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 vested immediately upon issuance.

In April 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.

In July 2020, 250,000 stock options with an exercise price of \$0.05 expired unexercised.

In July 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 vested immediately upon issuance.

In August 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 vested upon issuance.

During the year ended October 31, 2020, 500,000 options with an exercise price of \$0.12 were forfeited.

In November 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.

In November 2020, the Company granted 3,000,000 incentive stock options to the director and CEO. 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.

In November 2020, 1,000,000 options with an exercise price of \$0.055 and 750,000 options with an exercise price of \$0.06 were exercised in connection with the shares for debt transaction.

In December 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 other 75,000 stock options have an exercise price of \$0.13, expire one year from the date of issuance and vest immediately upon issuance.

In January 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.

In January 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.

## OFF-BALANCE SHEET ARRANGEMENTS

A 3% net smelter return (“NSR”) is attached to each of three (3) different claim blocks: a) four (4) full patented mining (mineral and surface rights) claims known as the Lingman Lake Mine, b) twelve (12) legacy Crown land claims known and Lingman Lake East/Anaconda claims, and c) fourteen (14) partial patented mining (mineral rights) claims known as the Lingside claims. 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.

## RELATED PARTY TRANSACTIONS

Key management personnel include executive officers and non-executive directors. Executive officers are paid a salary and participate in the Company’s stock option program. The executive officers include the Chief Executive Officer, and the Chief Financial Officer. Non-executive directors also participate in the Company’s stock option program. During the years ended October 31, 2020 and 2019, the Company incurred the following:

	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>October 31, 2020</b>		<b>October 31, 2019</b>	
Short term wages	\$	297,110	\$	268,800
Share-based payments		172,667		14,648
	\$	469,777	\$	283,448

As at October 31, 2020, the Company owes \$322,459 (October 31, 2019 - \$181,772) to executives of the Company for unpaid salaries and wages. Other amounts owing to related parties total to \$40,738 as at October 31, 2020 (October 31, 2019 - \$38,058). These amounts are included in accounts payable and accrued liabilities and are unsecured, non-interest bearing and due on demand.

## FINANCIAL INSTRUMENTS

### *Categories and fair value of financial instruments*

The Company’s financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and a promissory note. 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 October 31, 2020**

	Carrying Value			Fair Value
	FVTPL	FVTOCI	Amortized Cost	Total
<b>Financial Assets and Liabilities</b>			\$	\$
Cash	-	-	462,184	462,184
Amounts receivable	-	-	63,100	63,100
Accounts payable and accrued liabilities	-	-	(1,591,182)	(1,591,182)

**As at October 31, 2019**

	Carrying Value			Fair Value
	FVTPL	FVTOCI	Amortized Cost	Total
<b>Financial Assets and Liabilities</b>			\$	\$
Cash	-	-	267,639	267,639
Amounts receivable	-	-	29,377	29,377
Accounts payable and accrued liabilities	-	-	(1,667,961)	(1,667,961)
Promissory note	-	-	(169,540)	(169,540)

**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 tax 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-throw 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.

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.

## ACCOUNTING POLICIES

### *Standards issued and effective for the year ended October 31, 2020:*

IFRS 16 - Leases ("IFRS 16") was issued by the IASB in January 2016 and specifies the requirements to recognize, measure, present and disclose leases. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

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.

The Company has adopted these new standards and have determined there was no significant impact on the consolidated financial statements.

### *Standards issued but not yet effective for the year ended October 31, 2020:*

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. Earlier adoption is permitted.

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

The Company is currently assessing the impact of these standards.

## **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 subject 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.

### COVID-19 Outbreak

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.

**KEY PERSONNEL**

Robert Vallis, Director, CEO

Jonathan Held, Director, CFO

Walter Hanych, Director, Chief Geologist

Paolo Lostritto, Chairman of the Board of Directors

Stephen Timms, Director

**ADVISORY BOARD**

Dr. Scott Jobin-Bevans

John Leliever

Dan Denbow

John Hayes

Rickardo Welyhorsky

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