



SIGNATURE RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIODS ENDED

JANUARY 31, 2017, AND 2016

Notice of No Auditor Review of Interim Financial Statements

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

The management of Signature Resources Ltd. is responsible for the preparation of the accompanying unaudited condensed consolidated interim financial statements. The unaudited condensed consolidated interim financial statement have been prepared in accordance with International Financial Reporting Standards and are considered by management to present fairly the consolidated financial position, operating results and cash flows of the Company.

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

“Walter Hanych”

“Jonathan Held”

Walter Hanych,
Chief Executive Officer

Jonathan Held,
Chief Financial Officer

March 27, 2017

SIGNATURE RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT
(Expressed in Canadian dollars)

	Note	January 31 2017	October 31 2016
		\$	\$
ASSETS			
CURRENT			
Cash		121,465	50,568
Short-term investments	4	250,000	300,000
Amounts receivable		29,506	41,526
Prepaid expenses and deposit		26,934	44,936
Total current assets		427,905	437,030
Equipment	5	24,898	26,547
Exploration and evaluation assets	6	3,339,420	3,180,166
Total assets		3,792,223	3,643,743
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	7,9	1,047,585	1,101,912
Deferred premium liability	14	29,665	-
Rehabilitation provision	10	13,550	13,402
Total current liabilities		1,090,800	1,115,314
Rehabilitation provision	10	237,373	235,535
Total liabilities		1,328,173	1,350,849
SHAREHOLDERS' EQUITY			
Share capital	8	3,643,385	3,394,357
Contributed surplus		857,160	824,942
Deficit		(2,036,495)	(1,926,405)
Total shareholders' equity		2,464,050	2,292,894
Total liabilities and shareholders' equity		3,792,223	3,643,743

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
 COMMITMENTS AND CONTINGENCIES (Notes 6 & 11)

"Signed"

 Keith McDowell, Director

"Signed"

 Stephen Timms, Director

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

SIGNATURE RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTH PERIODS ENDED JANUARY 31,
(Expressed in Canadian dollars)

	2017	2016
	\$	\$
GENERAL AND ADMINISTRATION		
Salaries and wages (Note 7)	60,000	24,000
Office and general	35,413	6,636
Professional fees	2,850	15,463
Accretion expense (Note 10)	1,986	1,923
Share-based payments (Notes 7 & 8)	17,890	702
NET LOSS BEFORE OTHER ITEMS	(118,139)	(48,724)
Premium on flow-through shares income (Note 14)	7,431	425
Other income	618	15
NET LOSS AND COMPREHENSIVE LOSS	(110,090)	(48,284)
LOSS PER SHARE, basic and diluted	(0.00)	(0.00)
Weighted average number of common shares, basic and diluted	39,184,899	28,737,501

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

SIGNATURE RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIODS ENDED JANUARY 31,
(Expressed in Canadian dollars)

	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(110,090)	(48,284)
Items not affecting cash:		
Accretion expense (Note 10)	1,986	1,923
Share-based payments (Note 8)	17,890	702
Premium on flow-through shares income (Note 14)	(7,431)	(425)
	(97,645)	(46,084)
Changes in non-cash working capital items:		
Amounts receivable	12,020	3,635
Prepaid expenses and deposit	18,002	2,390
Accounts payable and accrued liabilities	(41,315)	23,392
Cash flows used in operating activities	(108,938)	(16,667)
FINANCING ACTIVITIES		
Proceeds from private placement (Note 8)	321,496	-
Share issuance costs (Note 8)	(27,932)	-
Exercise of warrants (Note 8)	6,888	-
Cash flows from financing activities	300,452	-
INVESTING ACTIVITIES		
Short-term investments (Note 4)	50,000	-
Expenditures on exploration and evaluation assets (Note 6)	(170,617)	(1,078)
Cash flows from (used in) investing activities	(120,617)	(1,078)
Change in cash during the period	70,897	(17,745)
Cash, beginning of period	50,568	45,210
Cash, end of period	121,465	27,465
Non-cash activities:		
Change in accrued expenditures on exploration and evaluation assets	(13,012)	13,922
Depreciation included in exploration and evaluation assets	1,649	-

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

SIGNATURE RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIODS ENDED JANUARY 31, 2017 AND 2016
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
		\$	\$	\$	\$
Balance, October 31, 2015	28,737,501	2,021,983	437,297	(1,632,052)	827,228
Share-based payments (Note 8)	-	-	702	-	702
Net loss and comprehensive loss for the period	-	-	-	(48,284)	(48,284)
Balance, January 31, 2016	28,737,501	2,021,983	437,999	(1,680,336)	779,646
Balance, October 31, 2016	64,795,429	3,394,357	824,942	(1,926,405)	2,292,894
Private placement (Note 8)	2,473,045	321,496	-	-	321,496
Issuance of warrants (Note 8)	-	(15,876)	15,876	-	-
Exercise of warrants (Note 8)	137,750	8,436	(1,548)	-	6,888
Share issuance costs (Note 8)	-	(27,932)	-	-	(27,932)
Premium on flow-through shares (Note 14)	-	(37,096)	-	-	(37,096)
Share-based payments (Note 8)	-	-	17,890	-	17,890
Net loss and comprehensive loss for the period	-	-	-	(110,090)	(110,090)
Balance, January 31, 2017	67,406,224	3,643,385	857,160	(2,036,495)	2,464,050

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

SIGNATURE RESOURCES LTD.**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTH PERIODS ENDED JANUARY 31, 2017, AND 2016****(Expressed in Canadian Dollars)**

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Signature Resources Ltd. (the "Company") was incorporated on May 3, 2010, under the British Columbia Business Corporations Act. The Company's principal business activities include the acquisition and exploration of mineral properties in Canada. The Company's common shares are publicly traded on the TSX-Venture Exchange ("TSXV") under the stock symbol "SGU" and on the OTCQB under the symbol "SGGTF". The Company's head office address is 200-366 Bay Street, Toronto, ON M5H 4B2.

At January 31, 2017, the Company had not yet determined whether its properties contained ore reserves that are economically recoverable. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at January 31, 2017, the Company has an accumulated deficit of \$2,036,495 (October 31, 2016 - \$1,926,405), a working capital deficiency of \$662,895 (October 31, 2016 - \$678,284), and is not yet generating positive cash flows from operations. These factors indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue its operations as a going concern and to realize its assets as their carrying values are dependent upon obtaining additional financing and for generating revenues sufficient to cover its operating costs.

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

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

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The Company's condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". Accordingly, these condensed consolidated interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended October 31, 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on March 27, 2017.

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

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3 of the Company's annual financial statements for the year ended October 31, 2016.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (continued)

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

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

i. Exploration and evaluation expenditures

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

ii. Income, value added, withholding and other taxes

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 assumption about them, the assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8.

2. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**(i) Effective for annual periods beginning on or after November 1, 2017:**

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.

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. 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 condensed consolidated interim financial statements.

4. SHORT TERM INVESTMENTS

The Company is invested in a \$250,000 (October 31, 2016 - \$300,000) redeemable guaranteed investment certificate issued on September 6, 2016, with a maturity date of September 5, 2017, and bearing interest at 0.8%. During the three months ended January 31, 2017, the Company redeemed \$50,000 of its guaranteed investment certificate.

SIGNATURE RESOURCES LTD.**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTH PERIODS ENDED JANUARY 31, 2017, AND 2016****(Expressed in Canadian Dollars)**

5. EQUIPMENT

	Computer and communication equipment		Vehicles	Equipment	Total
Cost					
Balance, October 31, 2016	\$	5,234	\$ 9,299	\$ 12,895	\$ 27,428
Additions		-	-	-	-
Balance, January 31, 2017	\$	5,234	\$ 9,299	\$ 12,895	\$ 27,428
Accumulated Depreciation					
Balance, October 31, 2016	\$	154	\$ 310	\$ 417	\$ 881
Depreciation for the period		539	465	645	1,649
Balance, January 31, 2017	\$	693	\$ 775	\$ 1,062	\$ 2,530
Net Book Value					
Balance, October 31, 2016	\$	5,080	\$ 8,989	\$ 12,478	\$ 26,547
Balance, January 31, 2017	\$	4,541	\$ 8,524	\$ 11,833	\$ 24,898

6. EXPLORATION AND EVALUATION ASSETS

	Lingman Lake
	\$
Balance, October 31, 2015	2,102,517
Consulting expenses	73,011
Assay	854
Geological consulting	75,461
Contract labour	34,340
Logistics	75,448
Travel and lodging	60,044
Equipment rentals	7,737
Depreciation	881
Field supplies	38,313
Acquisition of East Lingman Lake Properties	711,559
Balance, October 31, 2016	3,180,166
Consulting expenses	30,000
Assay	47,392
Geological consulting	43,811
Contract labour	5,800
Travel and lodging	28,186
Depreciation	1,649
Field supplies	2,416
Balance, January 31, 2017	3,339,420

6. EXPLORATION AND EVALUATION ASSETS (continued)Lingman Lake

On September 26, 2013, the Company acquired a 100% equity interest in Cool Minerals Inc., acquiring a 100% interest in the Lingman Lake gold properties in Ontario. A payment \$200,000 was required to be made 12 months following exercise of the option. On February 11, 2015, the Company satisfied the \$200,000 payment by completing a shares for debt transaction.

East Lingman Lake

On November 4, 2013, the Company entered into an option agreement (the "Option") with European Metals Corp. (formerly, Mantis Mineral Corp. ("EMC")) to acquire a 100% registered undivided interest in the East Lingman Lake Properties consisting of twelve staked claims, which form a contiguous property with the Company's current Lingman Lake Property. EMC owns an option agreement (the "Underlying Option") to acquire a 100% interest in the East Lingman Lake Properties from John Leliever ("JL").

On July 5, 2016, the Company exercised the Option and the Underlying Option, completing the acquisition of the East Lingman Lake Properties. JL holds a 3% net smelter return royalty of which one half can be purchased by the Company for \$1,000,000.

As part of the closing of the Option and Underlying Option to acquire the East Lingman Lake Properties, the Company:

- Paid EMC \$127,500 via the issuance of common shares in the capital of the Company, each such common share at an attributed value of \$0.085. The Company satisfied this requirement by issuing 1,500,000 common shares which were valued at \$0.05 per share for accounting purposes based on the quoted market price of the common shares at the time of issue.
- Paid an aggregate amount of \$600,000, for the three installments of \$200,000 which were due on June 30, 2014, 2015 and 2016 to JL, with overdue amounts accruing interest at a rate of 6% per annum. The Company satisfied this requirement by issuing 12,000,000 common shares with an attributed value of \$0.05 per share, and issuing an additional 731,178 common shares at an attributed value of \$0.05 to satisfy accrued interest of \$36,559. All common shares issued were valued at \$0.05 for accounting purposes based on the quoted market price of the common shares at the time of issue.

7. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Transactions with related parties are incurred in the normal course of business and are measured at their fair values, which is the amount of consideration established and approved by the related parties. As at January 31, 2017, the Company owes \$90,050 (October 31, 2016 - \$99,382) 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 (Note 9).

8. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

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

In July 2016, the Company completed a non-brokered private placement via two tranches, raising total gross proceeds of \$1,066,338 from the issuance of 21,326,750 units at \$0.05 per unit. Each unit consisted of one common share and one common share purchase warrant, with each warrant being exercisable into one common share at a price of \$0.15 for a period of two years. A value of \$288,365 was allocated to the warrants issued in connection with this private placement. The Company also issued finder's warrants to purchase 1,178,870 common shares with an exercise price of \$0.05 per share and valued at \$63,474. With respect to the warrants and finder's 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 90 days by issuing a press release. Total issuance costs of \$84,303 were incurred in connection with this private placement. Officers and directors of the Company subscribed for 600,000 units for gross proceeds of \$30,000.

Concurrent with the close of the private placement, the Company also issued 12,731,178 common shares to the vendors of the East Lingman Lake Property, and issued 1,500,000 common shares to EMC, at a value of \$0.05 per share in connection with the option exercise (Note 6).

On August 3, 2016, 500,000 warrants were exercised for cash proceeds of \$25,000. The initial value of \$5,619 related to the warrants' original issuance was reclassified from contributed surplus to share capital.

On November 24, 2016, 44,000 warrants with an exercise price of \$0.05 were exercised for cash proceeds of \$2,200. The initial value of \$494 related to the warrants' original issuance was reclassified from contributed surplus to share capital.

On December 15, 2016, 93,750 warrants with an exercise price of \$0.05 were exercised for cash proceeds of \$4,688. The initial value of \$1,054 related to the warrants' original issuance was reclassified from contributed surplus to share capital.

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. The Company paid finder's fees including \$22,050 in cash and issued 169,613 warrants to qualified finders in connection with the financing. Total issuance costs were \$27,932. Each warrant is exercisable into one common share of the Company at an exercise price of \$0.13 until December 30, 2018 and was valued at \$15,876. Officers and directors of the Company subscribed for 50,000 shares for gross proceeds of \$6,500. The premium on the flow-through shares was \$37,096 (Note 14).

SIGNATURE RESOURCES LTD.**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTH PERIODS ENDED JANUARY 31, 2017, AND 2016****(Expressed in Canadian Dollars)**

8. SHARE CAPITAL (continued)

c) Stock option plan

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

	Number of Options		Weighted Average Exercise Price
Balance at October 31, 2015 and January 31, 2016	1,900,000	\$	0.050
Granted	1,975,000		0.057
Balance at October 31, 2016	3,875,000	\$	0.052
Granted	35,000		0.100
Balance at January 31, 2017	3,910,000	\$	0.054

Grant Date	Exercise Price (\$)	Weighted Average Remaining Life (yrs)	Number of Options Outstanding	Number of Options Exercisable
November 6, 2013	0.050	1.76	1,400,000	1,400,000
December 1, 2014	0.050	0.83	250,000	250,000
July 15, 2015	0.050	3.45	250,000	250,000
July 19, 2016	0.055	4.47	1,125,000	562,500
August 9, 2016	0.060	4.52	750,000	187,500
August 9, 2016	0.060	2.52	100,000	100,000
January 25, 2017	0.100	1.98	35,000	17,500
	0.054	2.79	3,910,000	2,767,500

On July 19, 2016, the Company issued 1,125,000 options, of which 1,050,000 options were issued to certain directors and executive directors of the Company. The options have an exercise price of \$0.055 and expire on July 19, 2021. The initial 25% of options vested immediately and the remaining 75% of the options vest in 25% increments semi-annually.

On August 9, 2016, the Company issued 850,000 options. 750,000 of the options have an exercise price of \$0.06 and expire on August 9, 2021. The initial 25% of options vested immediately and the remaining 75% of the options vest in 25% increments semi-annually. 100,000 of the options have an exercise price of \$0.06 and expire on August 9, 2019. The options vest in 33.3% increments over three months effective one month after issuance date.

On January 25, 2017, the Company issued 35,000 options to a consultant. The options have an exercise price of \$0.10 and expire on January 25, 2019. The initial 50% of options vested immediately and the remaining 50% vest 6 months from date of issuance.

SIGNATURE RESOURCES LTD.**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTH PERIODS ENDED JANUARY 31, 2017, AND 2016****(Expressed in Canadian Dollars)**

8. SHARE CAPITAL (continued)

c) Stock option plan (continued)

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

	January 31, 2017	January 31, 2016
Expected volatility (based on historical share prices)	165%	N/A
Risk-free interest rate	0.76%	N/A
Expected life (years)	2	N/A
Expected dividend yield	Nil	N/A
Forfeiture rate	Nil	N/A
Underlying share price	\$0.10	N/A

The average fair value of each option granted during the period ended January 31, 2017 was approximately \$0.08 (2016 - N/A).

(d) Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance at October 31, 2015 and January 31, 2016	5,767,350	\$ 0.05
Granted	22,505,620	0.14
Exercised	(500,000)	0.05
Balance at October 31, 2016	27,772,970	\$ 0.05
Granted	169,613	0.13
Exercised	(137,750)	0.05
Balance at January 31, 2017	27,804,833	\$ 0.13

Grant Date	Exercise Price (\$)	Weighted Average Remaining Life (yrs)	Number of Warrants Outstanding
November 21, 2014	0.05	0.81	5,001,000
November 21, 2014	0.05	0.81	128,600
July 5, 2016	0.15	1.42	9,335,880
July 5, 2016	0.05	1.42	490,870
July 20, 2016	0.15	1.47	11,990,870
July 20, 2016	0.05	1.47	688,000
December 30, 2016	0.13	1.91	169,613
	0.13	1.33	27,804,833

SIGNATURE RESOURCES LTD.**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTH PERIODS ENDED JANUARY 31, 2017, AND 2016****(Expressed in Canadian Dollars)**

8. SHARE CAPITAL (continued)

(d) Warrants (continued)

On July 5, 2016, the Company issued 9,335,800 warrants of the Company with an exercise price of \$0.15 per common share, exercisable until July 5, 2018. The fair value for the warrants of \$109,554 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of \$0.15, expected volatility of 100%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 0.49%.

On July 5, 2016, the Company issued 490,870 finder's warrants of the Company with an exercise price of \$0.05 per common share, exercisable until July 5, 2018. The fair value for the warrants of \$16,690 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of \$0.05, expected volatility of 100%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 0.49%.

On July 20, 2016, the Company issued 11,990,870 warrants of the Company with an exercise price of \$0.15 per common share, exercisable until July 20, 2018. The fair value for the warrants of \$178,811 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of \$0.15, expected volatility of 100%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 0.59%.

On July 20, 2016, the Company issued 688,000 finder's warrants of the Company with an exercise price of \$0.05 per common share, exercisable until July 20, 2018. The fair value for the warrants of \$46,784 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of \$0.05, expected volatility of 100%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 0.59%.

On December 30, 2016, the Company issued 169,613 warrants with an exercise price of \$0.13 per common share, exercisable until December 30, 2018. The fair value for the warrants of \$15,876 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of \$0.13, expected volatility of 191%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 0.73%.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at January 31, 2017	As at October 31, 2016
Accounts payable	\$ 80,470	\$ 107,999
Accrued liabilities - MNM ⁽¹⁾	884,325	884,325
Other accrued liabilities	82,790	109,588
	\$ 1,047,585	\$ 1,101,912

- (1) Prior to the acquisition of Cool Minerals and the Lingman Lake Property, the MNM had requested the removal of certain above ground storage tanks containing approximately 800,000 litres of fuel that was considered a mine hazard. Due to the failure of the prior owners to comply with MNM's request for it to be cleaned up, MNM took action and managed the disposition of the fuel at a cost of \$884,325.

SIGNATURE RESOURCES LTD.**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTH PERIODS ENDED JANUARY 31, 2017, AND 2016****(Expressed in Canadian Dollars)**

10. REHABILITATION PROVISION

Rehabilitation represents the legal and contractual obligations associated with the eventual closure of the Company's mining operations either progressively or at the end of the mine life. These obligations consist of costs associated with reclamation and monitoring activities and the removal of tangible assets from the Company's mining sites. Although the Company has had limited exploration, historical work done by other companies has resulted in the MNDM issuing an order to the Company requiring the filing of a closure plan. The Company has not yet prepared a formal closure plan, but has cost estimates for certain tasks which will be required to be completed as part of the request from MNDM and has hence recorded a rehabilitation provision based on these preliminary estimates.

At January 31, 2017, the total undiscounted amount of the Company's rehabilitation provision has been estimated to be \$230,000 and is expected to be incurred between 2017 and 2020. The Company calculated the rehabilitation provision using an inflation rate of 2% and discount rates ranging from 2.22% to 3.32%. The present value of the rehabilitation provision at January 31, 2017 has been estimated at \$250,923 (October 31, 2016 - \$248,937), of which \$13,550 (October 31, 2016 - \$13,402) is current. Additional costs that cannot be estimated are expected to be incurred. A summary of the Company's rehabilitation provision is presented below:

	As at January 31, 2017		As at October 31, 2016	
Balance at beginning of period	\$	248,937	\$	241,151
Accretion expense		1,986		7,786
Balance at end of period	\$	250,923	\$	248,937

11. COMMITMENTS AND CONTINGENCIES

As at January 31, 2017, the Company is required to incur the remaining \$257,098 of eligible expenditures in respect of its December 30, 2016 flow-through financing by December 31, 2017. (Note 14).

12. MANAGEMENT OF CAPITAL

The Company considers its capital structure to include the components of shareholders' equity and loans. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As the Company's properties are in the exploration and evaluation stage, the Company is currently unable to self-finance its operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable. The Company did not change its approach to capital management during the periods ended January 31, 2017 and 2016.

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13. FINANCIAL INSTRUMENTS

Fair Value

The Company's financial instruments consist of cash, short term investments, amounts receivable, and accounts payable and accrued liabilities. The fair values of financial instruments other than cash and short term investments approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	As at January 31, 2017	As at October 31, 2016
	\$	\$
FVTPL (i)	371,465	350,568
Loans and receivables (ii)	29,506	41,526
Other financial liabilities (iii)	1,047,585	1,101,912

(i) Cash and short term investments

(ii) Amounts receivable

(iii) Accounts payable and accrued liabilities

The Company classifies its fair value measurements in accordance with the three levels fair value hierarchy as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments measured at fair value on a recurring basis at January 31, 2017 are as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash and short-term investments	371,465	-	-	371,465
	371,465	-	-	371,465

The Company's financial instruments measured at fair value on a recurring basis at October 31, 2016 are as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash and short-term investments	350,568	-	-	350,568
	350,568	-	-	350,568

Credit Risk

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

SIGNATURE RESOURCES LTD.**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE MONTH PERIODS ENDED JANUARY 31, 2017, AND 2016****(Expressed in Canadian Dollars)**

13. FINANCIAL INSTRUMENTS (continued)**Liquidity Risk**

The Company ensures its holding of cash is sufficient to meet its short-term general and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or less or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed commercial paper or similar instruments.

Foreign Exchange Risk

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

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

Commodity Price Risk

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

14. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the condensed consolidated interim statement of loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred. Total premium liability of \$37,096 was recognized in respect of the December 30, 2016 flow-through financing (Note 8).

During the period ended January 31, 2017, \$7,431 (2016 - \$425) of the deferred premium liability was recognized as income in the condensed consolidated interim statements of loss.

As at January 31, 2017, the premium liability remaining was \$29,665 (October 31, 2016 - \$Nil) and remaining commitment was \$257,098 (October 31, 2016 - \$Nil) (Note 11).

15. SUBSEQUENT EVENTS

On February 24, 2017, 695,000 warrants with an exercise price of \$0.05 were exercised for cash proceeds of \$34,750.

On March 13, 2017, 80,000 warrants with an exercise price of \$0.05 were exercised for cash proceeds of \$4,000.