SIGNATURE RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
OCTOBER 31, 2018 AND 2017

UHY McGovern Hurley LLP
Chartered Professional Accountants

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
Canada

Tel 416-496-1234
Fax 416-496-0125
Email info@uhymh.com
Web www.uhymh.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Signature Resources Ltd.

We have audited the accompanying consolidated financial statements of Signature Resources Ltd. and its subsidiary, which comprise the consolidated statements of financial position as at October 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

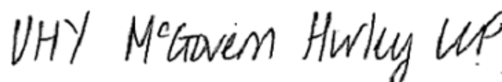
Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Signature Resources Ltd. and its subsidiary as at October 31, 2018 and 2017, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that Signature Resources Ltd. had continuing losses during the year ended October 31, 2018 and a working capital deficiency and a cumulative deficit as at October 31, 2018. These conditions along with other matters set forth in Note 1 indicate the existence of material uncertainties that cast significant doubt about Signature Resources Ltd.'s ability to continue as a going concern.

UHY McGovern Hurley LLP



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
February 25, 2019

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

	Note	October 31 2018	October 31 2017
		$	$
ASSETS			
CURRENT			
Cash		461,921	270,180
Amounts receivable		91,925	13,112
Prepaid expenses and deposit		34,379	43,708
Total current assets		588,225	327,000
Equipment	4	140,649	20,260
Exploration and evaluation assets	5	5,399,612	3,425,330
Total assets		6,128,486	3,772,590
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	6,8	1,214,513	1,090,710
Deferred premium liability	13	-	8,749
Rehabilitation provision	9	14,081	13,775
Total current liabilities		1,228,594	1,113,234
Rehabilitation provision	9	251,196	243,202
Total liabilities		1,479,790	1,356,436
SHAREHOLDERS' EQUITY			
Share capital	7	6,125,870	3,698,212
Shares to be issued	7	-	213,239
Contributed surplus		1,394,314	855,847
Deficit		(2,871,488)	(2,351,144)
Total shareholders' equity		4,648,696	2,416,154
Total liabilities and shareholders' equity		6,128,486	3,772,590

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENTS AND CONTINGENCIES (Notes 5 & 10)

"Signed"	*"Signed"*
Keith McDowell, Director	Stephen Timms, Director

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

SIGNATURE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED OCTOBER 31,
(Expressed in Canadian dollars)

	2018	**2017**
	$	$
GENERAL AND ADMINISTRATION		
Salaries and wages (Note 6)	264,000	240,000
Office and general	198,809	129,599
Professional fees	130,729	38,374
Accretion expense (Note 9)	8,300	8,040
Share-based payments (Notes 6 & 7)	184,576	37,878
Depreciation (Note 4)	12,712	-
NET LOSS BEFORE OTHER ITEMS	(799,126)	(453,891)
Premium on flow-through shares income (Note 13)	274,638	28,347
Other income	2,926	805
Foreign exchange gain	1,218	-
NET LOSS AND COMPREHENSIVE LOSS	(520,344)	(424,739)
LOSS PER SHARE, basic and diluted	(0.01)	(0.01)
Weighted average number of common shares, basic and diluted	84,528,752	67,553,841

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

SIGNATURE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31,
(Expressed in Canadian dollars)

	2018	2017
	$	$
OPERATING ACTIVITIES		
Net loss for the year	(520,344)	(424,739)
Items not affecting cash:		
Accretion expense (Note 9)	8,300	8,040
Depreciation expense (Note 4)	12,712	-
Share-based payments (Note 7)	184,576	37,878
Premium on flow-through shares income (Note 13)	(274,638)	(28,347)
	(589,394)	(407,168)
Changes in non-cash working capital items:		
Amounts receivable	(78,813)	28,414
Prepaid expenses and deposit	9,329	1,228
Accounts payable and accrued liabilities	123,803	(11,202)
Cash flows (used in) operating activities	(535,075)	(388,728)
FINANCING ACTIVITIES		
Shares to be issued related to private placement (Note 7)	-	152,000
Proceeds from private placement (Note 7)	2,107,118	321,496
Share issuance costs (Note 7)	(90,363)	(27,932)
Exercise of warrants (Note 7)	217,444	101,653
Cash flows from financing activities	2,234,199	547,217
INVESTING ACTIVITIES		
Short-term investments	-	300,000
Expenditures on exploration and evaluation assets (Note 5)	(1,368,098)	(338,877)
Expenditures on equipment (Note 4)	(139,285)	-
Government assistance received (Note 5)	-	100,000
Cash flows from (used in) investing activities	(1,507,383)	61,123
Change in cash during the year	191,741	219,612
Cash, beginning of year	270,180	50,568
Cash, end of year	461,921	270,180
Non-cash activities:		
Depreciation included in exploration and evaluation assets (Note 4)	$ 6,184	$ 6,287
Finders' warrants issued (Note 7)	$ 26,642	$ 15,876
Issuance of shares for acquisition of Lingman Property (Note 5)	$ 600,000	$ -
Issuance of shares previously to be issued (Note 7)	$ 202,000	$ -

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

SIGNATURE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED OCTOBER 31, 2018 AND 2017
(Expressed in Canadian dollars)

	Number of Shares	Number of Shares to be Issued	Share Capital	Shares to be Issued	Contributed Surplus	Deficit	Total
			$	$	$	$	$
Balance, October 31, 2016	64,795,429	-	3,394,357	-	824,942	(1,926,405)	2,292,894
Private placement (Note 7)	2,473,045	1,862,500	321,496	152,000	-	-	473,496
Issuance of warrants (Note 7)	-	-	(15,876)	-	15,876	-	-
Exercise of warrants (Note 7)	1,033,050	1,000,000	63,263	61,239	(22,849)	-	101,653
Share issuance costs (Note 7)	-	-	(27,932)	-	-	-	(27,932)
Premium on flow-through shares (Note 13)	-	-	(37,096)	-	-	-	(37,096)
Share-based payments (Note 7)	-	-	-	-	37,878	-	37,878
Net loss and comprehensive loss for the year	-	-	-	-	-	(424,739)	(424,739)
Balance, October 31, 2017	68,301,524	2,862,500	3,698,212	213,239	855,847	(2,351,144)	2,416,154
Balance, October 31, 2017	68,301,524	2,862,500	3,698,212	213,239	855,847	(2,351,144)	2,416,154
Private placement (Note 7)	20,443,575	(1,862,500)	2,259,118	(152,000)	-	-	2,107,118
Issuance of warrants (Note 7)	-	-	(453,748)	-	453,748	-	-
Acquisition of Lingside Property (Notes 5 & 7)	5,000,000	-	600,000	-	-	-	600,000
Exercise of warrants (Note 7)	5,348,870	(1,000,000)	378,540	(61,239)	(99,857)	-	217,444
Share issuance costs (Note 7)	-	-	(90,363)	-	-	-	(90,363)
Premium on flow-through shares (Note 13)	-	-	(265,889)	-	-	-	(265,889)
Share-based payments (Note 7)	-	-	-	-	184,576	-	184,576
Net loss and comprehensive loss for the year	-	-	-	-	-	(520,344)	(520,344)
Balance, October 31, 2018	99,093,969	-	6,125,870	-	1,394,314	(2,871,488)	4,648,696

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

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

At October 31, 2018, 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 October 31, 2018, the Company has an accumulated deficit of $2,871,488 (October 31, 2017 - $2,351,144), a working capital deficiency of $640,369 (October 31, 2017 - $786,234), 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 consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. Such adjustments could be material.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis except as explained in the accounting policies set out in Note 3. The financial statements have been prepared on an accrual basis except for cash flow information.

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

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

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

These financial statements include the accounts of the Company and its wholly-owned subsidiary, Cool Minerals Inc. On November 10, 2014, the Company completed an internal reorganization by amalgamating Cool Minerals Inc. with Eagle Feather Resources Inc. All intercompany amounts and transactions have been eliminated on consolidation.

The financial statements were authorized for issue by the Board of Directors on February 25, 2019.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and Evaluation Assets

i. Pre-license expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

ii. Exploration and evaluation expenditures

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets (“E&E”) according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are expensed. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

The Company has not established any NI 43-101 compliant proven or probable reserves on any of its exploration and evaluation assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

iv. Government assistance

Mining exploration tax credits for certain exploration expenditures incurred are treated as a reduction of the exploration and development costs of the respective exploration and evaluation assets.

b) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All intercompany balances and transactions have been eliminated upon consolidation. Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Rehabilitation Provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of an exploration and evaluation property. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating a related expense recognized in profit or loss.

d) Cash and Short-Term Investments

Cash in the consolidated statements of financial position is comprised of cash held at major financial institutions or lawyer's trust accounts. The Company's short-term investments consist of guaranteed investment certificates (GICs) with a maturity greater than 90 days but less than one year.

e) Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income of loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements unless such differences arise from goodwill or the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the taxable profit nor the accounting profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Share Capital and Flow-Through Shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

The Company finances some exploration expenditures through the issuance of flow-through shares. In accordance with IAS 12, Income Taxes, a deferred tax liability is recognized, with certain specific exceptions, for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base. At the time the flow-through shares are issued, there is a potential premium paid on the flow-through shares calculated based on the share issuance price and the market price at the time of closing. In the absence of a market price, the Company uses the fair value as determined by the price per share in recent non flow-through share financings or other techniques as considered necessary. This premium is recorded as premium on flow-through shares liability on the consolidated statements of financial position reducing share capital and is drawn down proportionately as the flow-through exploration spending occurs and recorded to deferred tax expense. In instances where the Company has sufficient deductible temporary differences available to offset the deferred income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in profit or loss in the period of renunciation.

g) Share-Based Payments

The Company has an equity-settled share-based compensation plan. Equity settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at the grant date using the Black-Scholes option pricing model and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus. Upon expiry, the recorded value remains in contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

h) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial Instruments

Financial assets are classified into one of four categories:

- Fair value through profit or loss;
- Held-to-maturity;
- Available for sale; and
- Loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if

- It has been acquired principally for the purpose of selling in the near future;
- It is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or;
- It is a derivative that is not designated and effective as a hedging instrument.

The Company has classified cash and short-term investments as FVTPL assets.

Held-to-maturity ("HTM")

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

Available-for-sale financial assets ("AFS")

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets as at FVTPL. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss. The Company does not have any assets classified as AFS assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less and impairment losses.

The Company has classified amounts receivable as loans and receivables.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial Instruments (continued)

Derecognition of financial assets

A financial asset is derecognized when:

- The contractual right to the asset's cash flows expire; or
- If the Company transfers the financial assets and substantially all risks and rewards of ownership to another entity.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets is directly reduced by the impairment loss. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss.

On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial Instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i. *Other financial liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company has classified accounts payable and accrued liabilities as other financial liabilities.

ii. *Derecognition of financial liabilities*

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

j) Flow-through shares

To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium is recorded as a liability on the statement of financial position at the time of subscription. The liability is subsequently reduced and recorded in the consolidated statement of loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred.

Resource expenditure deductions for income tax purposes related to exploration and evaluation activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The Company has indemnified the subscribers of flow-through share offerings against any tax related amounts that became payable by the shareholder as a result of the Company not meeting its commitments.

k) Warrants

Warrants are measured at fair value on the date of grant and included in contributed surplus. The fair value is measured using the Black-Scholes option pricing model. Upon expiry, the recorded value remains in contributed surplus.

l) Equipment

Equipment is carried at cost less accumulated depreciation. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. The estimated useful lives for the current and comparative periods for equipment are as follows:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Equipment (continued)

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

m) Share capital – common shares

Common shares are classified as equity. Incremental costs of issuance are recognized as a deduction from equity, net of any tax effects.

n) Critical Accounting Estimates

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Critical Accounting Estimates (continued)

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 7.

o) Accounting Standards Issued But Not Yet Effective

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

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The adoption of IFRS 9 is not expected to have an impact on the classification and measurement of the Company's financial instruments, when adopted in 2019.

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. Earlier adoption is permitted.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Accounting Standards Issued But Not Yet Effective (continued)

(i) Effective for annual periods beginning on or after November 1, 2018: (continued)

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. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted.

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.

IFRIC 23 - Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

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

4. EQUIPMENT

		Computer and communication equipment		Vehicles		Equipment		Total
Cost								
Balance, October 31, 2016 and 2017	$	5,234	$	9,299	$	12,895	$	27,428
Additions		-		-		139,285		139,285
Balance, October 31, 2018	**$**	**5,234**	**$**	**9,299**	**$**	**152,180**	**$**	**166,713**
Accumulated Depreciation								
Balance, October 31, 2016	$	154	$	310	$	417	$	881
Depreciation for the year		1,847		1,860		2,580		6,287
Balance, October 31, 2017	$	2,001	$	2,170	$	2,997	$	7,168
Depreciation for the year		1,744		1,860		15,292		18,896
Balance, October 31, 2018	**$**	**3,745**	**$**	**4,030**	**$**	**18,289**	**$**	**26,064**
Net Book Value								
Balance, October 31, 2018	**$**	**1,489**	**$**	**5,269**	**$**	**133,891**	**$**	**140,649**
Balance, October 31, 2017	$	3,233	$	7,129	$	9,898	$	20,260

The depreciation for the year ended October 31, 2018 of $18,896 (2017 - $6,287) includes $6,184 (2017 - $6,287) included in exploration and evaluation assets (Note 5).

5. EXPLORATION AND EVALUATION ASSETS

	Lingman Lake
	$
Balance, October 31, 2016	3,180,166
Consulting expenses	120,000
Assay	47,392
Geological consulting	56,357
Contract labour	13,400
Logistics	9,961
Travel and lodging	45,165
Equipment rentals	2,500
Depreciation (Note 4)	6,287
Field supplies	6,445
Staking	37,657
Government assistance received	(100,000)
Balance, October 31, 2017	3,425,330
Consulting expenses	186,078
Geological consulting	5,175
Contract labour	102,958
Logistics	266,525
Travel and lodging	96,207
Equipment rentals	6,496
Depreciation (Note 4)	6,184
Field supplies	87,610
Airborne survey	196,779
Staking	7,900
Geophysical consulting	114,590
Drilling	288,190
Acquisition costs	609,590
Balance, October 31, 2018	**5,399,612**

Lingman Lake

On September 26, 2013, the Company acquired a 100% interest in the Lingman Lake gold properties in Ontario. A payment of $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 July 5, 2016, the Company completed its acquisition of the East Lingman Lake Properties consisting of twelve staked claims. To complete the acquisition, the Company issued 14,231,178 common shares at $0.05 per share.

During the year ended October 31, 2017, the Company's Lingman Lake property qualified under the provisions of the Junior Exploration Assistance Program ("JEAP") and received the maximum allowed grant of $100,000. The JEAP provides funds up to 33.33% of the Company's eligible expenditures related to its Lingman Lake project and were recorded as a reduction to the carrying value of the properties.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Lingside Property

On May 15, 2018, the Company signed a binding asset purchase agreement (the "Agreement") to acquire the Lingside Property (the "Property"). Pursuant to the terms of the Agreement, Signature shall pay to the vendor $600,000, payable by the delivery of 5,000,000 common shares in the capital of the Company at a deemed issue price of $0.12 per common share, and will grant to the vendor a 3% net smelter returns royalty (the "Royalty") applicable to minerals produced from the Property. The Company may at any time repurchase one-half of the Royalty for $1,500,000. On June 25, 2018, the Company announced the closing of this Property and issued 5,000,000 common shares of the Company at a price of $0.12 per common share based on the quoted market price of the common shares, for aggregate consideration of $600,000 (Note 7).

6. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

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, 2018 and 2017, the Company incurred the following:

		For the year ended October 31, 2018		For the year ended October 31, 2017
Short term wages	$	228,000	$	204,000
Share-based payments		46,917		17,327
	$	274,917	$	221,327

As at October 31, 2018, the Company owes $27,661 (October 31, 2017 - $90,040) to executives of the Company for unpaid salaries and wages. Other amounts owing to related parties total to $21,946 as at October 31, 2018 (October 31, 2017 - $4,753). These amounts are included in accounts payable and accrued liabilities and are unsecured, non-interest bearing and due on demand (Note 8).

7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

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

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 13).

During the year ended October 31, 2017, 1,033,050 warrants were exercised for cash proceeds of $101,653. The initial value of $22,849 related to the warrants' original issuance was reclassified from contributed surplus to share capital.

7. SHARE CAPITAL (continued)

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

On December 22, 2017, the Company completed a non-brokered private placement via two tranches, raising total gross proceeds of $757,000 from the issuance of 3,400,000 units at $0.08 per unit and 4,850,000 flow-through units at $0.10 per unit. Cash proceeds of $152,000, related to the first tranche of the private placement on November 14, 2017, was received prior to October 31, 2017 and was included in shares to be issued as at October 31, 2017 (Note 7(c)). 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. Each flow-through unit consisted of one common share of the Company issued on a flow-through basis and one half of one warrant, with each whole warrant being exercisable into one common share at a price of $0.15 for a period of two years. The Company issued a total of 5,825,000 warrants with a value of $213,225 in connection with this private placement. The Company also issued finder's warrants to purchase 388,000 common shares, exercisable for a period of two years at a price of $0.10 per share and valued at $17,858. 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 $48,885 were incurred in connection with this private placement. The total premium on the flow-through shares was $157,000 (Note 13).

In connection with the closing of the first tranche of the private placement on November 14, 2017, 2,500,000 warrants were exercised, of which $50,000 proceeds for 1,000,000 warrants was received prior to October 31, 2017 and was included in shares to be issued (Note 7(c)). During the year ended October 31, 2018, the Company received $75,000 from the exercise of the remaining 1,500,000 warrants at an exercise price of $0.05. The initial value of $16,859 related to the warrants' original issuance was reclassified from contributed surplus to share capital.

On November 17, 2017, 1,670,000 warrants were exercised for cash proceeds of $83,500. The initial value of $19,525 related to the warrants' original issuance was reclassified from contributed surplus to share capital.

On June 25, 2018, the Company closed the first tranche (the "First Tranche") of a non-brokered private placement for gross proceeds of $600,000 by issuing 5,000,000 non-flow-through units at $0.12 per unit. No finders' fees were issued in conjunction with the closing of the First Tranche. 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 $0.25 per share from the date of issuance. The Company issued a total of 5,000,000 warrants with a value of $162,576 in connection with this private placement. With respect to the warrants, if the Company's closing share price is equal to or greater than $0.40 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release.

On June 25, 2018, the Company announced the closing of the Lingside Property, under which it has issued 5,000,000 common shares of the Company at a price of $0.12 per common share based on the quoted market price of the common shares, for aggregate consideration of $600,000 (Note 5).

On July 24, 2018, the Company closed the second tranche (the "Second Tranche") of a non-brokered private placement for gross proceeds of $454,600. The Company issued 871,666 non-flow-through units at $0.12 per unit and 2,592,592 flow-through common shares at $0.135 per share. Each flow-through share consists of one flow-through common share. The Company issued a total of 871,666 warrants with a value of $25,013 in connection with this private placement. The Company also issued finder's warrants to purchase 181,481 common shares, exercisable for a period of two years at a price of $0.135 per share and valued at $8,784.

7. SHARE CAPITAL (continued)

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

Total issuance costs of $33,366 were incurred in connection with this private placement. The total premium on the flow-through shares was $108,889 (Note 13).

On July 24, 2018, 1,178,870 warrants were exercised for cash proceeds of $58,944. The initial value of $63,474 related to the warrants' original issuance was reclassified from contributed surplus to share capital.

On October 29, 2018, the Company closed the final tranche (the "Final Tranche") of a non-brokered private placement for gross proceeds of $447,518, bringing the total raised to $1,502,118. The Company issued 3,729,317 non-flow-through units at $0.12 per unit. The Company issued a total of 3,729,317 warrants with a value of $86,292 in connection with this private placement, exercisable for a period of two years at a price of $0.25 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 $0.40 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. Total issuance costs of $8,112 were incurred in connection with this private placement.

c) Shares to be issued

Cash proceeds of $152,000, related to the first tranche of the private placement on November 14, 2017, was received prior to October 31, 2017 (Note 7(b)). The Company also received cash proceeds of $50,000 related to the exercise of 1,000,000 warrants at an exercise price of $0.05 prior to October 31, 2017 (Note 7(b)). The initial value of $11,239 related to the warrants' original issuance was reclassified from contributed surplus to shares to be issued. During the year ended October 31, 2018, the total value of $213,239 in shares to be issued was transferred to share capital.

d) Stock option plan

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

	Number of Options		Weighted Average Exercise Price
Balance at October 31, 2016	3,875,000	$	0.052
Granted	35,000		0.100
Balance at October 31, 2017	3,910,000	$	0.054
Expired	(250,000)		0.050
Granted	3,950,000		0.091
Balance at October 31, 2018	7,610,000	$	0.073

7. SHARE CAPITAL (continued)

d) Stock option plan (continued)

Grant Date	Exercise Price ($)	Weighted Average Remaining Life (yrs)	Number of Options Outstanding	Number of Options Exercisable
November 6, 2013	0.050	0.02	1,400,000	1,400,000
July 15, 2015	0.050	1.71	250,000	250,000
July 19, 2016	0.055	2.72	1,125,000	1,125,000
August 9, 2016	0.060	2.78	750,000	750,000
August 9, 2016	0.060	0.77	100,000	100,000
January 25, 2017	0.100	0.24	35,000	35,000
March 1, 2018	0.080	4.33	1,750,000	437,500
March 20, 2018	0.080	4.39	1,150,000	287,500
October 17, 2018	0.120	4.96	50,000	10,000
October 29, 2018	0.120	4.00	500,000	500,000
October 29, 2018	0.120	5.00	500,000	125,000
	0.073	3.03	7,610,000	5,020,000

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.

On March 1, 2018, the Company issued 1,750,000 options to consultants. The options have an exercise price of $0.08 and expire on March 1, 2023. The options vest 25% at issuance and an additional 25% every six-month anniversary from issuance.

On March 20, 2018, the Company issued 1,150,000 options to directors and officers. The options have an exercise price of $0.08 and expire on March 20, 2023. The options vest 25% at issuance and an additional 25% every six-month anniversary from issuance.

On October 17, 2018, the Company issued 50,000 options to a consultant. The options have an exercise price of $0.12 and expire on October 17, 2023. The options vest 20% at issuance and an additional 20% every six-month anniversary from issuance.

On October 29, 2018, the Company issued 500,000 options to a consultant. The options have an exercise price of $0.12 and expire on October 29, 2022. The options vest immediately upon issuance.

On October 29, 2018, the Company issued 500,000 options to a consultant. The options have an exercise price of $0.12 and expire on October 29, 2023. The options vest 25% at issuance and an additional 25% every six-month anniversary from issuance.

7. SHARE CAPITAL (continued)

d) 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:

	2018	2017
Expected volatility (based on historical share prices)	163%-181%	165%
Risk-free interest rate	2.33%-2.41%	0.76%
Expected life (years)	4-5	2
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Underlying share price	$0.055-$0.095	$0.10

The compensation expense and charge to contributed surplus relating to the stock options for the year ended October 31, 2018 was $184,576 (2017 - $37,878). The average fair value of each option granted during the year ended October 31, 2018 was approximately $0.052-$0.088 (2017 - $0.08).

(e) Warrants

	Number of Warrants		Weighted Average Exercise Price
Balance at October 31, 2016	27,772,970	$	0.052
Granted	169,613		0.130
Exercised	(2,033,050)		0.050
Balance at October 31, 2017	25,909,533	$	0.130
Granted	15,995,464		0.209
Exercised	(4,348,870)		0.050
Expired	(21,391,050)		0.150
Balance at October 31, 2018	16,165,077	$	0.208

7. SHARE CAPITAL (continued)

(e) Warrants (continued)

Grant Date	Exercise Price ($)	Weighted Average Remaining Life (yrs)	Number of Warrants Outstanding
December 30, 2016	0.130	0.16	169,613
November 14, 2017	0.150	1.04	2,725,000
November 14, 2017	0.100	1.04	132,000
December 22, 2017	0.150	1.14	3,100,000
December 22, 2017	0.100	1.14	256,000
June 25, 2018	0.250	1.65	5,000,000
July 24, 2018	0.250	1.73	871,666
July 24, 2018	0.135	1.73	181,481
October 29, 2018	0.250	2.00	3,729,317
	0.208	1.51	16,165,077

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%.

On November 14, 2017, the Company issued 2,725,000 warrants with an exercise price of $0.15 per common share, exercisable until November 14, 2019. The fair value for the warrants of $69,148 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.15, expected volatility of 140%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 1.44%.

On November 14, 2017, the Company issued 132,000 finder's warrants of the Company with an exercise price of $0.10 per common share, exercisable until November 14. 2017. The fair value for the warrants of $6,824 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.10, expected volatility of 140%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 1.44%.

On December 22, 2017, the Company issued 3,100,000 warrants with an exercise price of $0.15 per common share, exercisable until December 22, 2019. The fair value for the warrants of $84,076 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.15, expected volatility of 138%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 1.64%.

On December 22, 2017, the Company issued 256,000 finder's warrants of the Company with an exercise price of $0.10 per common share, exercisable until December 22. 2017. The fair value for the warrants of $11,034 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.10, expected volatility of 138%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 1.64%.

On June 25, 2018, the Company issued 5,000,000 warrants of the Company with an exercise price of $0.25 per common share, exercisable until June 25, 2020. The fair value for the warrants of $162,576 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.25, expected volatility of 103%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 1.77%.

7. SHARE CAPITAL (continued)

(e) Warrants (continued)

On July 24, 2018, the Company issued 871,666 warrants of the Company with an exercise price of $0.25 per common share, exercisable until July 24, 2020. The fair value for the warrants of $25,013 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.25, expected volatility of 98%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 1.97%.

On July 24, 2018, the Company issued 181,481 finder's warrants of the Company with an exercise price of $0.135 per common share, exercisable until July 24, 2020. The fair value for the warrants of $8,784 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.135, expected volatility of 98%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 1.97%.

On October 29, 2018, the Company issued 3,729,317 warrants of the Company with an exercise price of $0.25 per common share, exercisable until October 29, 2020. The fair value for the warrants of $86,292 was determined using the Black-Scholes pricing model with the following assumptions: exercise price of $0.250, expected volatility of 91%, an expected life of 2 years, an expected dividend yield of 0%, and a risk-free interest rate of 2.21%.

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

	2018	**2017**
Expected volatility (based on historical share prices)	91%-140%	191%
Risk-free interest rate	1.44%-2.21%	0.73%
Expected life (years)	2	2
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Underlying share price	$0.07-$0.12	$0.12

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at October 31, 2018	**As at October 31, 2017**
Accounts payable	$ 284,898	$ 111,595
Accrued liabilities - MNDM[(1)]	884,325	884,325
Other accrued liabilities	45,290	94,790
	$ 1,214,513	$ 1,090,710

(1) Prior to the acquisition of Cool Minerals and the Lingman Lake Property, the MNDM 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 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.

9. 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 October 31, 2018, the total amount of the Company's rehabilitation provision was estimated, at initial recognition, to be $230,000 and is expected to be incurred between 2018 and 2020. The present value of the rehabilitation provision at October 31, 2018 has been estimated at $265,277 (October 31, 2017 - $256,977), of which $14,081 (October 31, 2017 - $13,775) is current. Additional costs that cannot be estimated may be required. A summary of the Company's rehabilitation provision is presented below:

	As at October 31, 2018	As at October 31, 2017
Balance at beginning of year	$ 256,977	$ 248,937
Accretion expense	8,300	8,040
Balance at end of year	$ 265,277	$ 256,977

10. COMMITMENTS AND CONTINGENCIES

As at October 31, 2018, the Company has incurred all eligible expenditures in respect of its December 2017 and July 2018 flow-through financings (Note 13). As at October 31, 2018, the Company has recorded a rehabilitation provision for its environmental liabilities (Note 9).

11. MANAGEMENT OF CAPITAL

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to 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 years ended October 31, 2018 and 2017.

12. FINANCIAL INSTRUMENTS

Fair Value

The Company's financial instruments consist of cash, 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 October 31, 2018	As at October 31, 2017
	$	$
FVTPL (i)	461,921	270,180
Loans and receivables (ii)	91,925	13,112
Other financial liabilities (iii)	1,214,513	1,090,710

(i) Cash
(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 date.

The Company's financial instruments measured at fair value on a recurring basis at October 31, 2018 are as follows:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	461,921	-	-	461,921
	461,921	-	-	461,921

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

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	270,180	-	-	270,180
	270,180	-	-	270,180

12. FINANCIAL INSTRUMENTS (continued)

Credit Risk

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

Liquidity Risk

The Company 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 most 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.

13. 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 consolidated 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 7). Total premium liability of $157,000 was recognized in respect of the December 2017 flow-through financing (Note 7). Total premium liability of $108,889 was recognized in respect of the July 24, 2018 flow-through financing (Note 7).

During the year ended October 31, 2018, $274,638 (2017 - $28,347) of the deferred premium liability was recognized as income in the consolidated statements of loss and comprehensive loss.

As at October 31, 2018, the total premium liability remaining was $Nil (October 31, 2017 - $8,749) and total remaining commitment was $Nil (October 31, 2017 - $75,826) (Note 10).

14. INCOME TAXES

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2017 - 26.5%) were as follows:

	2018	**2017**
	$	$
Loss before income taxes	(520,344)	(424,739)
Expected income tax recovery based on statutory rate	(173,000)	(113,000)
Adjustment to expected income tax benefit:		
Non-deductible expenses and other	(1,000)	2,000
Change in unrecorded deferred tax asset	174,000	111,000
Deferred income tax provision (recovery)	-	-

(b) Deferred Income Taxes

The following are recognized deferred tax assets and liabilities:

	2018	**2017**
	$	$
Exploration and evaluation assets	(282,000)	(61,000)
Non-capital loss carry-forwards	282,000	61,000
Deferred income tax liability	-	-

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2018	**2017**
	$	$
Non-capital loss carry-forwards	1,523,000	1,704,000
Share issue costs	181,000	77,000
Other temporary differences	47,000	21,000
Total	**1,751,000**	**1,802,000**

14. INCOME TAXES (continued)

The tax losses expire from 2030 to 2038. The other temporary differences do not expire under current legislation.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

No deferred taxes are recognized on the temporary differences related to investment in subsidiaries to the extent that the Company controls the timing of the reversal of the temporary differences and it is probable that these differences will not reverse in the foreseeable future.

15. SUBSEQUENT EVENTS

Subsequent to October 31, 2018, the Company exercised 1,000,000 stock options with an exercise price of $0.05 for total proceeds of $50,000. 400,000 stock options with an exercise price of $0.05 and 169,613 warrants with an exercise price of $0.13 per common share expired unexercised.