SIGNATURE RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTH PERIODS ENDED
JULY 31, 2019, AND 2018

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"

Walter Hanych,
Chief Executive Officer

"Jonathan Held"

Jonathan Held,
Chief Financial Officer

September 27, 2019

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

	Note	**July 31 2019**	**October 31 2018 (Audited)**
		$	$
ASSETS			
CURRENT			
Cash		40,471	461,921
Amounts receivable		22,043	91,925
Prepaid expenses and deposit		52,113	34,379
Total current assets		114,627	588,225
Equipment	4	367,583	140,649
Exploration and evaluation assets	5	5,789,845	5,399,612
Total assets		6,272,055	6,128,486
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	6,8	1,543,103	1,214,513
Rehabilitation provision	9	14,315	14,081
Promissory note	10	166,194	-
Total current liabilities		1,723,612	1,228,594
Rehabilitation provision	9	257,364	251,196
Total liabilities		1,980,976	1,479,790
SHAREHOLDERS' EQUITY			
Share capital	7	6,303,209	6,125,870
Contributed surplus		1,476,480	1,394,314
Deficit		(3,488,610)	(2,871,488)
Total shareholders' equity		4,291,079	4,648,696
Total liabilities and shareholders' equity		6,272,055	6,128,486

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENTS AND CONTINGENCIES (Notes 5 & 11)

"Signed"
Walter Hanych, 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 AND NINE MONTH PERIODS ENDED JULY 31,
(Expressed in Canadian dollars)

	Three months ended,		Nine months ended,	
	2019	**2018**	**2019**	**2018**
	$	$	$	$
GENERAL AND ADMINISTRATION				
Salaries and wages (Note 6)	76,200	66,200	275,009	187,800
Office and general	79,061	53,574	138,071	150,849
Professional fees	30,476	37,389	81,550	76,948
Accretion expense (Note 9)	2,151	2,083	6,402	6,200
Share-based payments (Notes 6 & 7)	26,401	40,670	75,730	111,441
Depreciation (Note 4)	20,505	-	39,244	-
NET LOSS BEFORE OTHER ITEMS	(234,794)	(199,916)	(616,006)	(533,238)
Premium on flow-through shares income (Note 14)	-	61,322	-	108,412
Foreign exchange income	545	576	1,078	576
Interest expense (Note 10)	(2,194)	-	(2,194)	-
NET LOSS AND COMPREHENSIVE LOSS	(236,443)	(138,018)	(617,122)	(424,250)
LOSS PER SHARE, basic and diluted	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares, basic and diluted	101,232,634	84,987,849	99,864,362	80,849,773

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 NINE MONTH PERIODS ENDED JULY 31,
(Expressed in Canadian dollars)

		2019		2018
		$		$
OPERATING ACTIVITIES				
Net loss for the period		(617,122)		(424,250)
Items not affecting cash:				
Accretion expense (Note 9)		6,402		6,200
Depreciation expense (Note 4)		39,244		-
Share-based payments (Note 7)		75,730		111,441
Premium on flow-through shares income (Note 14)		-		(108,412)
Interest expense (Note 10)		2,194		-
		(493,552)		(415,021)
Changes in non-cash working capital items:				
Amounts receivable		69,882		(65,464)
Prepaid expenses and deposit		(17,734)		(2,424)
Accounts payable and accrued liabilities		328,590		99,408
Cash flows used in operating activities		(112,814)		(383,501)
FINANCING ACTIVITIES				
Shares to be issued related to private placement (Note 7)		-		(74,000)
Proceeds from private placement (Note 7)		136,555		1,811,600
Share issuance costs (Note 7)		(2,780)		(82,252)
Exercise of warrants (Note 7)		-		217,444
Exercise of options (Note 7)		50,000		-
Proceeds from promissory note (Note 10)		164,000		-
Cash flows from financing activities		347,775		1,872,792
INVESTING ACTIVITIES				
Short-term investments		-		(450,000)
Expenditures on exploration and evaluation assets (Note 5)		(385,595)		(582,324)
Expenditures on equipment (Note 4)		(270,816)		(90,905)
Cash flows used in investing activities		(656,411)		(1,123,229)
Change in cash during the period		(421,450)		366,062
Cash, beginning of period		461,921		270,180
Cash, end of period		40,471		636,242
Non-cash activities:				
Depreciation included in exploration and evaluation assets (Note 4)	$	4,638	$	11,652
Finders' warrants issued (Note 7)	$	-	$	26,642
Issuance of shares for acquisition of Lingman Property	$	-	$	600,000

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 PERIODS ENDED JULY 31, 2019 AND 2018
(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, 2017	68,301,524	2,862,500	3,698,212	213,239	855,847	(2,351,144)	2,416,154
Private placement (Note 7)	16,714,258	(1,212,500)	1,811,600	(74,000)	-	-	1,737,600
Issuance of warrants (Note 7)	-	-	(427,456)	-	427,456	-	-
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)	-	-	(82,252)	-	-	-	(82,252)
Premium on flow-through shares (Notes 14 & 15)	-	-	(265,889)	-	-	-	(265,889)
Share-based payments (Note 7)	-	-	-	-	111,441	-	111,441
Net loss and comprehensive loss for the period	-	-	-	-	-	(424,250)	(424,250)
Balance, July 31, 2018	95,364,652	650,000	5,712,755	78,000	1,294,887	(2,775,394)	4,310,248
Balance, October 31, 2018	99,093,969	-	6,125,870	-	1,394,314	(2,871,488)	4,648,696
Private placement (Note 7)	1,820,735	-	136,555	-	-	-	136,555
Share issuance costs (Note 7)	-	-	(2,780)	-	-	-	(2,780)
Issuance of warrants (Note 7)	-	-	(30,932)	-	30,932	-	-
Exercise of options (Note 7)	1,000,000	-	74,496	-	(24,496)	-	50,000
Share-based payments (Note 7)	-	-	-	-	75,730	-	75,730
Net loss and comprehensive loss for the period	-	-	-	-	-	(617,122)	(617,122)
Balance, July 31, 2019	101,914,704	-	6,303,209	-	1,476,480	(3,488,610)	4,291,079

The accompanying notes are an integral part of these condensed consolidated interim 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”, on the OTCQB under the symbol “SGGTF”, and on the FSE under the symbol “3S3”. The Company’s head office address is 200-366 Bay Street, Toronto, ON M5H 4B2.

At July 31, 2019, the Company had not yet determined whether its properties contained ore reserves that are economically recoverable. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at July 31, 2019, the Company has an accumulated deficit of $3,488,610 (October 31, 2018 - $2,871,488), a working capital deficiency of $1,608,985 (October 31, 2018 - $640,369), 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, 2018, 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 September 27, 2019.

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, 2018.

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 7.

3. SIGNIFICANT ACCOUNTING POLICIES

Standards issued and effective for the period ended July 31, 2019:

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 Company has assessed the impact of these standards and have determined that they do not have a significant impact on the Company's condensed consolidated interim financial statements.

Standards issued but not yet effective for the period ended July 31, 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.

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.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards issued but not yet effective as of July 31, 2019: (continued)

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 condensed consolidated interim financial statements.

4. EQUIPMENT

		Computer and communication equipment		Vehicles		Equipment		Total
Cost								
Balance, October 31, 2017	$	5,234	$	9,299	$	12,895	$	27,428
Additions for the year		-		-		139,285		139,285
Balance, October 31, 2018	$	5,234	$	9,299	$	152,180	$	166,713
Additions for the period		-		-		270,816		270,816
Balance, July 31, 2019	**$**	**5,234**	**$**	**9,299**	**$**	**422,996**	**$**	**437,529**
Accumulated Depreciation								
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
Depreciation for the period		1,309		1,395		41,179		43,882
Balance, July 31, 2019	**$**	**5,054**	**$**	**5,425**	**$**	**59,468**	**$**	**69,946**
Net Book Value								
Balance, July 31, 2019	**$**	**180**	**$**	**3,874**	**$**	**363,529**	**$**	**367,583**
Balance, October 31, 2018	$	1,489	$	5,269	$	133,891	$	140,649

The depreciation for the nine months ended July 31, 2019 of $43,882 (2018 - $11,652) includes $4,638 (2018 - $11,652) included in exploration and evaluation assets (Note 5).

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Lingman Lake
	$
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	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
Staking	3,325
Consulting expenses	141,405
Geophysical consulting	81,941
Contract labour	12,650
Logistics	13,466
Travel and lodging	11,618
Equipment rentals	1,644
Depreciation (Note 4)	4,638
Field supplies	36,546
Drilling	83,000
Balance, July 31, 2019	**5,789,845**

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.

5. EXPLORATION AND EVALUATION ASSETS (continued)

<u>Lingside Property</u>

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

Transactions with related parties are incurred in the normal course of business and are measured at their fair values, which is the amount of consideration established and approved by the related parties. As at July 31, 2019, the Company owes $161,496 (October 31, 2018 - $27,661) to executives of the Company for unpaid salaries and wages. Other amounts owing to related parties total to $30,779 (October 31, 2018 - $21,946) as at July 31, 2019. 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 condensed consolidated interim statements of changes in equity.

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 14).

7. SHARE CAPITAL (continued)

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

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.

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 14).

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.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

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

On November 1, 2018, the Company exercised 1,000,000 stock options with an exercise price of $0.05 for total proceeds of $50,000. The initial value of $24,495 related to the options' original issuance was reclassified from contributed surplus to share capital.

On April 18, 2019, the Company closed the first tranche (the "First Tranche") of a non-brokered private placement for gross proceeds of $136,555 by issuing 1,820,735 non-flow-through units at $0.075 per unit. No finders' fees were issued in conjunction with the closing 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 $0.15 per share from the date of issuance. The Company issued a total of 1,820,735 warrants with a value of $30,932 in connection with this private placement. With respect to the warrants, if the Company's closing share price is equal to or greater than $0.25 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. Total issuance costs of $2,780 were incurred in connection with this private placement.

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, 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
Granted	250,000		0.075
Exercised	(1,000,000)		0.050
Expired	(435,000)		0.054
Balance at July 31, 2019	**6,425,000**	**$**	**0.078**

(Expressed in Canadian Dollars)

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
July 15, 2015	0.050	0.96	250,000	250,000
July 19, 2016	0.055	1.97	1,125,000	1,125,000
August 9, 2016	0.060	2.03	750,000	750,000
August 9, 2016	0.060	0.02	100,000	100,000
March 1, 2018	0.080	3.59	1,750,000	1,312,500
March 20, 2018	0.080	3.64	1,150,000	862,500
October 17, 2018	0.120	4.22	50,000	20,000
October 29, 2018	0.120	3.25	500,000	500,000
October 29, 2018	0.120	4.25	500,000	250,000
June 17, 2019	0.075	4.88	250,000	250,000
	0.078	3.05	6,425,000	5,420,000

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.

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

(Expressed in Canadian Dollars)

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:

	July 31, 2019	**July 31, 2018**
Expected volatility (based on historical share prices)	145%	181%
Risk-free interest rate	1.33%	1.99-2.04%
Expected life (years)	5	5
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Underlying share price	$0.07	$0.06-$0.07

The average fair value of each option granted during the nine months ended July 31, 2019 was $0.06 (2018 - $0.06-$0.07).

The compensation expense and charge to contributed surplus relating to the vesting of stock options for the nine months ended July 31, 2019 was $75,730 (2018 - $111,441).

(e) Warrants

Grant Date	**Exercise Price ($)**	**Weighted Average Remaining Life (yrs)**	**Number of Warrants Outstanding**
November 14, 2017	0.150	0.29	2,725,000
November 14, 2017	0.100	0.29	132,000
December 22, 2017	0.150	0.39	3,100,000
December 22, 2017	0.100	0.39	256,000
June 25, 2018	0.250	0.90	5,000,000
July 24, 2018	0.250	0.98	871,666
July 24, 2018	0.135	0.98	181,481
October 29, 2018	0.250	1.25	3,729,317
April 18, 2019	0.150	1.72	1,820,735
	0.203	0.87	17,816,199

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

(e) Warrants (continued)

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.

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.

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.

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.

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.

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.

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.

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.

On April 18, 2019, the Company issued 1,820,735 warrants of the Company with an exercise price of $0.15 per common share, exercisable until April 18, 2021. The fair value for the warrants of $30,932 was determined using the Black-Scholes pricing model.

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

	2019	**2018**
Expected volatility (based on historical share prices)	90%	98%-140%
Risk-free interest rate	1.66%	1.44%-1.77%
Expected life (years)	2	2
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Underlying share price	$0.07	$0.07-$0.12

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		As at July 31, 2019		As at October 31, 2018
Accounts payable	$	505,778	$	284,898
Accrued liabilities - MNDM[(1)]		884,325		884,325
Other accrued liabilities		153,000		45,290
	$	1,543,103	$	1,214,513

(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 July 31, 2019, 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 July 31, 2019 has been estimated at $271,679 (October 31, 2018 - $265,277), of which $14,315 (October 31, 2018 - $14,081) is current. Additional costs that cannot be estimated may be required. A summary of the Company's rehabilitation provision is presented below:

		As at July 31, 2019		As at October 31, 2018
Balance at beginning of year	$	265,277	$	256,977
Accretion expense		6,402		8,300
Balance at end of period	$	271,679	$	265,277

10. PROMISSORY NOTE

On June 3, 2019, the Company issued a promissory note for a principal amount of $164,000, maturing on September 1, 2019 with an option to extend to December 1, 2019 upon advance written notice to the lender. The note bears a fixed interest rate of 8% per annum on the unpaid portion of the principal amount until fully repaid, accruing on a monthly basis and payable on the maturity date. Total accrued interest for the period ended July 31, 2019 is $2,194 (2018 - $Nil).

11. COMMITMENTS AND CONTINGENCIES

As at July 31, 2019, the Company has incurred all eligible expenditures in respect of its December 2017 and July 2018 flow-through financings (Note 14). As at July 31, 2019, the Company has recorded a rehabilitation provision for its environmental liabilities (Note 9).

(Expressed in Canadian Dollars)

12. 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 periods ended July 31, 2019 and 2018.

13. FINANCIAL INSTRUMENTS

Fair Value

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and a promissory note. 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 July 31, 2019	As at October 31, 2018
	$	$
FVTPL (i)	40,471	461,921
Loans and receivables (ii)	22,043	91,925
Other financial liabilities (iii)	1,709,297	1,214,513

(i) Cash
(ii) Amounts receivable
(iii) Accounts payable and accrued liabilities, and promissory note

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 July 31, 2019 are as follows:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Cash	40,471	-	-	40,471
	40,471	-	-	40,471

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

13. 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.

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. During the year ended October 31, 2018, total premium liability of $157,000 and $108,889, were recognized in respect of the December 2017 and July 24, 2018 flow-through financing, respectively (Note 7).

During the nine months ended July 31, 2019, $Nil (2018 - $108,412) of the deferred premium liability was recognized as income in the condensed consolidated interim statements of loss and comprehensive loss.

As at July 31, 2019, the total premium liability remaining was $Nil (October 31, 2018 - $Nil) and total remaining commitment was $Nil (October 31, 2018 - $Nil) (Note 11).

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation.