



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED

APRIL 30, 2023 AND 2022

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 unaudited condensed interim consolidated financial statements (or “Interim Financial Statements”), they must be accompanied by a notice indicating that the Interim Financial Statements have not been reviewed by an auditor.

The management of Signature Resources Ltd. (“Management”) is responsible for the preparation of the Interim Financial Statements and accordingly, these Interim Financial Statements 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 Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the Interim Financial Statements by an entity’s auditor. These 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.

S/“Dan Denbow”

Dan Denbow,
Interim Chief Executive Officer

S/“Donna McLean”

Donna McLean,
Chief Financial Officer

June 26, 2023



CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)
(Expressed in Canadian dollars)

AS AT	Note	April 30, 2023	October 31, 2022
		\$	note 3(a) \$
ASSETS			
CURRENT			
Cash		336,188	3,219
Investments	4	5,750	57,500
Amounts receivable		23,308	52,071
Prepaid expenses		118,709	72,178
Total current assets		483,955	184,968
Equipment	5	941,741	1,123,264
Total assets		1,425,696	1,308,232
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	7,9	1,218,485	1,463,534
Total current liabilities		1,218,485	1,463,534
Rehabilitation provision	10	803,869	786,935
Total liabilities		2,022,354	2,250,469
SHAREHOLDERS' DEFICIENCY			
Share capital	8	18,889,827	17,871,069
Contributed surplus	8	4,389,483	4,357,953
Deficit		(23,875,968)	(23,171,259)
Total shareholders' deficiency		(596,658)	(942,237)
Total liabilities and shareholders' deficiency		1,425,696	1,308,232

Nature of business and continuing operations (note 1)

Commitments and contingencies (notes 6, 10, 11,12)

Subsequent event (note 15)

Approved by the Board:

S/ "Paolo Lostritto"

Director

S/ "Stephen Timms"

Director

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



CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Unaudited)
(Expressed in Canadian dollars)

Periods ended April 30,	Note	Three months ended,		Six months ended,	
		2023	2022	2023	2022
		\$	\$	\$	note 3(a) \$
OPERATING EXPENSES					
Exploration & Evaluation Expenditures	8	166,749	786,948	227,220	1,899,235
Salaries and wages	7	45,185	213,975	75,585	352,550
Office and general		97,300	127,629	151,774	237,430
Share-based payments	7,8	15,185	24,615	31,530	55,862
Depreciation	5	89,843	91,546	181,523	175,269
Professional fees		21,178	58,432	37,919	68,432
NET LOSS BEFORE OTHER ITEMS		(435,440)	(1,303,145)	(705,551)	(2,788,778)
Premium on flow-through shares income	14	-	90,411	-	90,411
Foreign exchange income		390	60	842	167
NET LOSS AND COMPREHENSIVE LOSS		(435,050)	(1,212,674)	(704,709)	(2,698,200)
LOSS PER SHARE, basic and diluted		(0.01)	(0.02)	(0.01)	(0.05)
Weighted average number of common shares, basic and diluted		69,364,752	51,911,166	62,134,299	49,624,351

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



CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Expressed in Canadian dollars)

Periods ended April 30,	Note	2023	2022
		\$	note 3(a) \$
OPERATING ACTIVITIES			
Net loss for the period		(704,709)	(2,698,200)
Items not affecting cash:			
Depreciation expense	5	181,523	175,269
Share-based payments	8	31,530	55,862
Premium on flow-through shares income	14	-	(90,411)
Accretion of rehabilitation provision		16,934	5,061
		(474,722)	(2,552,419)
Changes in non-cash working capital items:			
Amounts receivable		28,763	129,449
Prepaid expenses		(46,531)	(91,932)
Accounts payable and accrued liabilities		(27,647)	(168,817)
Net cash used in operating activities		(520,137)	(2,683,719)
FINANCING ACTIVITIES			
Proceeds from private placement	8	813,000	2,447,336
Share issuance costs	8	(11,644)	(27,655)
Net cash provided by financing activities		801,356	2,419,681
INVESTING ACTIVITIES			
Expenditures on equipment	5	-	(182,029)
Investments	4	51,750	1,292,500
Net cash provided by investing activities		51,750	1,110,471
Net change in cash		332,969	846,433
Cash, beginning of period		3,219	75,281
Cash, end of period		336,188	921,714

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



CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY) (Unaudited)
(Expressed in Canadian dollars)

	Note	Number of Shares #	Share Capital \$	Contributed Surplus \$	Deficit ⁽¹⁾ \$	Total \$
Balance, October 31, 2021		47,412,095	15,582,097	4,031,249	(18,809,739)	803,607
Private placement	8	7,555,027	2,447,336	-	-	2,447,336
Share issuance costs	8	-	(27,655)	-	-	(27,655)
Issuance of warrants	8	-	(9,296)	9,296	-	-
Share-based payments	8	-	-	55,862	-	55,862
Premium on flow-through shares	8	-	(180,828)	-	-	(180,828)
Net loss and comprehensive loss for the period	8	-	-	-	(2,698,200)	(2,698,200)
Balance, April 30, 2022		54,967,122	17,811,654	4,096,407	(21,507,939)	400,122
Share issuance costs	8	-	(45,202)	-	-	(45,202)
Exercise of stock options	8	172,500	104,617	(47,617)	-	57,000
Share-based payments	8	-	-	309,163	-	309,163
Net loss and comprehensive loss for the period		-	-	-	(1,663,320)	(1,663,320)
Balance, October 31, 2022		55,139,622	17,871,069	4,357,953	(23,171,259)	(942,237)
Private placements	8	20,325,000	813,000	-	-	813,000
Share issuance costs	8	-	(11,644)	-	-	(11,644)
Shares issued for debt	8	5,435,050	217,402	-	-	217,402
Share-based payments	8	-	-	31,530	-	31,530
Net loss and comprehensive loss for the period		-	-	-	(704,709)	(704,709)
Balance, April 30, 2023		80,899,672	18,889,827	4,389,483	(23,875,968)	(596,658)

⁽¹⁾ Certain figures are restated as at October 31, 2021, and for the period ended April 30, 2022 – See note 3(a)

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



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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2023 AND 2022
(Expressed in Canadian Dollars)

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 resource assets in Canada, with a focus on precious metals. 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 corporate office address is #2704-401 Bay Street, Toronto, ON M5H 2Y4.

As at April 30, 2023, 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 April 30, 2023, the Company has an accumulated deficit of \$23,875,968 (October 31, 2022 - \$23,171,259), working capital deficiency of \$734,530 (October 31, 2022 -\$1,278,566), 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 and recover the amounts expended on its exploration and evaluation assets as this is dependent upon obtaining additional financing and for generating revenues sufficient to cover its operating costs.

On December 6, 2022, the Company completed a share consolidation of its share capital on the basis of five (5) pre-consolidation common shares for one (1) post-consolidation common share. All common shares, per common share amounts, warrants and stock options in these condensed interim consolidated financial statements have been retroactively restated to reflect the share consolidation.

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 interim consolidated financial statements (“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 consolidated financial statements. Such adjustments could be material.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These Interim Financial Statements have been prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting”. Accordingly, these Interim Financial Statements do not include all information required for full annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the years ended October 31, 2022, and 2021 (“Annual Financial Statements”), which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.



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The preparation of interim 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 judgments 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.

These Interim Financial Statements include the accounts of the Company and its wholly-owned subsidiary, Signature Exploration Ltd. All intercompany amounts and transactions have been eliminated on consolidation.

These Interim Financial Statements were authorized for issuance by the Board of Directors on June 26, 2023.

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.

The areas which require Management to make significant judgments, 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.

ii. Income, value-added, withholding, and other taxes related estimates

The Company is subject to income, value-added, withholding, and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value-added, withholding, and other tax liabilities, such as those arising from the renunciation of flow-through expenditures, requires the interpretation of complex laws and regulations. The Company's interpretation of tax 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 after the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax-related accruals and deferred income tax provisions in the period in which such determination is made. In the case of flow-through expenditures, reassessment may result in amounts owing to certain shareholders.

iii. Estimation of restoration, rehabilitation, and environmental obligations

Restoration, rehabilitation, and environmental liabilities are estimated based on the Company's interpretation of current regulatory requirements, and 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



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occur upon ceasing exploration and evaluation activities. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

iv. Share-based payments

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 8.

3. SIGNIFICANT ACCOUNTING POLICIES

These Interim Financial Statements have been prepared on the historical cost basis except as explained in the accounting policies set out in note 3 of the Company's Annual Financial Statements. These Interim Financial Statements have been prepared on an accrual basis except for cash flow information.

a) *Change in Accounting Policies for Exploration and Evaluation Expenditures*

In order to enhance the relevance to the decision-making needs of users and improve comparability with its peers, the Company has voluntarily elected to change its accounting policy with respect to exploration properties and deferred exploration expenditures, consistent with the guidance provided in IFRS 6 – *Exploration for and Evaluation of Mineral Resources* and IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*. The new accounting policy was adopted on October 31, 2022, and applied retroactively to the Annual Financial Statements and the statement of financial position as at November 1, 2020. In prior periods, the Company's policy was to capitalize exploration expenditures until such time as the properties were put into commercial production, sold, or become impaired. The full accounting policy is as follows:

The Company expenses its exploration and evaluation expenditures as incurred. Expenses charged to exploration property expenditures include acquisition costs of mineral property rights, property option payments, and certain exploration and evaluation activities.

Once a project has been established as commercially viable, and technically feasible, and the decision to proceed with development has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

The following tables reflect the retroactive changes made to the unaudited statement of loss and comprehensive loss for the three and six months ended April 30, 2022, and the statement of cash flows for the six months ended April 30, 2022, giving effect to this policy change:



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For the three months ended April 30, 2022	As originally reported	Effects of restatement	As restated
<u>Condensed interim consolidated statement of loss and comprehensive loss</u>	\$	\$	\$
Operating expenses			
Exploration expenditures	-	(786,948)	(786,948)
All other operating expenses	(424,651)	-	(424,651)
Depreciation expense	(91,546)	-	(91,546)
Net loss for the period before the undernoted	(516,197)	(786,948)	(1,303,145)
Premium on flow-through shares income	90,411	-	90,411
Foreign exchange income	60	-	60
Net loss and comprehensive loss for the period	(425,726)	(786,948)	(1,212,674)
Net loss per share - basic and diluted	(\$0.01)	(\$0.02)	(\$0.02)
Weighted average number of shares outstanding during the period - basic and diluted	51,911,166	51,911,166	51,911,166

For the six months ended April 30, 2022	As originally reported	Effects of restatement	As restated
<u>Condensed interim consolidated statement of loss and comprehensive loss</u>	\$	\$	\$
Operating expenses			
Exploration expenditures	-	(1,899,235)	(1,899,235)
All other operating expenses	(714,274)	-	(714,274)
Depreciation expense	(175,269)	-	(175,269)
Net loss for the period before the undernoted	(889,543)	(1,899,235)	(2,788,778)
Premium on flow-through shares income	90,411	-	90,411
Foreign exchange income	167	-	167
Net loss and comprehensive loss for the period	(798,965)	(1,899,235)	(2,698,200)
Net loss per share - basic and diluted	(\$0.02)	(\$0.04)	(\$0.05)
Weighted average number of shares outstanding during the period - basic and diluted	49,624,351	49,624,351	49,624,351



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For the six months ended April 30, 2022	As originally reported	Effects of restatement	As restated
<u>Condensed interim consolidated statement of cash flow</u>			
Cash flows from operating activities	\$	\$	\$
Net loss for the period	(798,965)	(1,899,235)	(2,698,200)
Adjustments to non-cash items:			
Share-based compensation	55,862	-	55,862
Premium on flow-through shares income	(90,411)	-	(90,411)
Depreciation	175,269	-	175,269
Accretion of rehabilitation provision	-	5,061	5,061
	(658,245)	(1,894,174)	(2,552,419)
Working capital adjustments			
Amounts receivable	129,449	-	129,449
Prepaid expenses	(91,932)	-	(91,932)
Accounts payable and accrued liabilities	(168,817)	-	(168,817)
Net cash flows used in operating activities	(789,545)	(1,894,174)	(2,683,719)
Cash flows from investing activities			
Exploration and evaluation assets	(1,894,174)	1,894,174	-
Purchase of equipment	(182,029)	-	(182,029)
Investments	1,292,500	-	1,292,500
Net cash flows used in investing activities	(783,703)	1,894,174	1,110,471
Cash flows from financing activities			
Private placement proceeds	2,447,336	-	2,447,336
less share issue costs	(27,655)	-	(27,655)
Net cash flows from financing activities	2,419,681	-	2,419,681
Net decrease in cash	846,433	-	846,433
Cash, beginning of period	75,281	-	75,281
Cash, end of period	921,714	-	921,714

b) *Standards issued and effective for annual periods beginning on or after November 1, 2022*

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.

IAS 1 – In February 2021, the IASB issued ‘Disclosure of Accounting Policies’ with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023. **Presentation of Financial Statements (“IAS 1”)** was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer



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of a company's own equity instruments is regarded as a settlement of liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on or after January 1, 2023.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on or after January 1, 2022.

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on or after January 1, 2022.

The Company is currently assessing the impact of these standards.

4. INVESTMENTS

As of April 30, 2023, the Company has an interest-bearing guaranteed investment certificate ("GIC") in the amount of \$5,750 (October 31, 2022 - \$57,500). The Company's GIC is held with a first-tier bank, with a maturity greater than 90 days but less than one year.



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5. EQUIPMENT

	Vehicles	Field Equipment	Computer Equipment	Total
Cost				
Balance, October 31, 2021	\$ 344,498	\$ 1,326,731	\$ 10,627	\$ 1,681,856
Additions for the period	-	182,029	-	182,029
Balance, October 31, 2022	\$ 344,498	\$ 1,508,760	\$ 10,627	\$ 1,863,885
Additions for the period	-	-	-	-
Balance, April 30, 2023	\$ 344,498	\$ 1,508,760	\$ 10,627	\$ 1,863,885
Accumulated Depreciation				
Balance, October 31, 2021	\$ 59,419	\$ 319,787	\$ 1,267	\$ 380,473
Depreciation for the period	62,040	294,566	3,542	360,148
Balance, October 31, 2022	\$ 121,459	\$ 614,353	\$ 4,809	\$ 740,621
Depreciation for the period	31,020	148,732	1,771	181,523
Balance, April 30, 2023	\$ 152,479	\$ 763,085	\$ 6,580	\$ 922,144
Net Book Value				
Balance, October 31, 2022	\$ 223,039	\$ 894,407	\$ 5,818	\$ 1,123,264
Balance, April 30, 2023	\$ 192,019	\$ 745,675	\$ 4,047	\$ 941,741

6. EXPLORATION AND EVALUATION ("E&E") EXPENDITURES

The Company holds a 100% interest in the Lingman Lake Property for the main purpose of gold exploration. A 3% net smelter return ("NSR") is attached to each of three different claim blocks. The Company can purchase one-half (1/2) of the NSR of each claim block for \$1,500,000, collectively totaling \$4,500,000 for all three blocks.

On May 11, 2021, the Company acquired a certain number of claims (the "Claims") along the Southern contact of the Lingman Lake Greenstone Belt. The consideration for the Claims was the payment of \$8,000 in cash and the issuance of 40,000 common shares in the capital of the Company, valued at the market price of \$0.925 per common share.



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The following table summarizes the cumulative E&E expenditures incurred at the Lingman Lake Property:

As at	April 30, 2023	October 31, 2022
Cumulative expenditures, beginning of the period	\$ 15,431,706	\$ 12,808,119
Travel and lodging	26,837	183,304
Contract labour, salaries, wages	18,120	434,858
Asset retirement obligation accretion expense (note 1)	16,934	34,458
Field Supplies	20,687	366,006
Assays	17,228	127,777
Consulting expenses (note 7)	60,184	328,981
Equipment rentals	3,965	91,830
Geotechnical and storage	-	111,799
Logistics	63,265	654,773
Geophysical and geological consulting	-	385,595
Asset retirement obligation adjustment (note 11)	-	(95,794)
Total expenditures during the period	227,220	2,623,587
Cumulative expenditures, end of the period	\$ 15,658,926	\$ 15,431,706

7. RELATED PARTY TRANSACTIONS

As at April 30, 2023, the Company owes \$nil (October 31, 2022 - \$235,008) to executives of the Company for unpaid consulting fees and expenses. These amounts are included in accounts payable and accrued liabilities. They are unsecured, non-interest-bearing, and due on demand.

Short-term management fees paid to related parties during the period ended April 30, 2023, include \$nil (2022 - \$65,400) which has been recorded in exploration and evaluation expenditures on the statement of loss and comprehensive loss. Short-term management fees paid during the period ended April 30, 2023 relate to services provided by the CFO and Corporate Secretary. Prior year period fees also included CEO and COO fees, as well as amounts paid to advisors considered to be related parties to the Company.

Period ended April 30,	Three months		Six months	
	2023	2022	2023	2022
Short-term management fees	\$24,900	\$157,775	\$49,800	\$361,750
Share-based payments	13,454	14,125	15,301	36,744
	\$38,354	\$171,900	\$65,101	\$398,494

Refer also to note 8 for details of related party participation in the Company's private placements.



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8. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

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

- i. On March 9, 2022, the Company closed a non-brokered private placement (the “March 2022 Offering”) of flow-through shares and non-flow-through shares, raising aggregate gross proceeds of \$2,447,336 through the issuance of 3,938,467 non-flow-through shares (the “NFT Shares”), and 3,616,560 flow-through shares (the “FT Shares”). Each NFT Share was issued at a price of \$0.30, and each FT Share was issued at a price of \$0.35. The Company paid finder's fees of \$8,261 and issued 27,538 finders' warrants exercisable at \$0.50 per share for a period of 12 months from the date of closing. Directors and officers subscribed for 1,278,333 NFT Shares and 911,429 FT Shares for this private placement.

The Company issued finder's warrants to purchase 27,538 common shares, exercisable until March 9, 2023, at a price of \$0.50 per share, and valued at \$9,296.

Total issuance costs of \$72,857 were incurred in connection with the March 2022 Offering.

- ii. On March 8, 2023, the Company completed a non-brokered private placement, through the issuance of 20,325,000 common shares, priced at \$0.04 per share, for total proceeds of \$813,000 (the "March 2023 Offering"). Participants in the private placement included a non-arms-length party to the Company who subscribed for 4,564,950 common shares, as well as insiders of the Company who purchased or acquired a total of 10,000,000 common shares in the Offering. All securities issued in connection with the Offering are subject to a four-month-and-one-day statutory hold period. The Company will be paying a 7% finder's fee, payable in cash, to certain eligible parties who have placed subscribers in the March 2023 Offering.
- iii. On March 31, 2023, Signature completed a shares-for-debt transaction, previously announced on March 8, 2023, whereby \$217,402 of the Company's outstanding debt was settled through the issuance of 5,435,050 common shares of the Company to two non-arm's length creditors at a fair value of \$0.04 per share. The debt settled includes a \$200,000 loan made by a non-arm's length party to the Company on November 19, 2022 (note 7). The securities issued in the shares-for-debt transaction are subject to a statutory hold period ending on August 1, 2023.

Pursuant to the completion of the non-brokered private placement announced on March 8, 2023, and the shares-for-debt transaction announced March 31, 2023, the Company issued a total of 25,760,050 shares, of which 15,000,000 were acquired by insiders of the Company.

c) Stock options

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, officers, employees, consultants, consulting companies, and management company employees of the Company, and its subsidiaries. Total options granted shall not exceed 10% of the issued and outstanding common shares of the Company. Stock options granted are exercisable over a period not exceeding 10 years from the



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date of grant, and exercise prices may not be less than the market price of the common shares at the time of the grant. Options shall vest in the manner imposed by the Board of Directors as a condition at the date of grant.

The following table summarizes the stock options activity for the year ended October 31, 2022, and the six-month period ended April 30, 2023:

	Number of Options	Weighted Average Exercise Price \$
Balance at October 31, 2021	4,225,000	0.51
Granted	3,200,000	0.38
Exercised	(172,500)	0.33
Expired	(15,000)	0.65
Balance at October 31, 2022	7,237,500	0.45
Expired	(667,500)	0.38
Cancelled - note 8(c)(ii)	(2,400,000)	0.40
Balance at April 30, 2023	4,170,000	0.50

The following table summarizes the outstanding stock options at April 30, 2023:

Grant Dates	Exercise Price \$	Weighted Average Remaining Life (years)	Number of Options Outstanding	Number of Options Exercisable
Oct.17- Oct. 29, 2018	0.60	0.08 – 0.74	110,000	110,000
Jun. 17 - Nov. 7, 2019	0.25 - 0.375	1.13 – 1.53	70,000	70,000
Jul.14 - Aug. 17, 2020	0.25 - 0.50	2.21 – 2.30	700,000	700,000
Nov. 1 - Dec. 23, 2020	0.35 - 0.65	2.53 – 2.65	1,540,000	1,155,000
Jan. 19 - Feb.16, 2021	0.55 - 0.65	2.73 – 2.80	160,000	120,000
May 10 - Aug. 4, 2021	0.80 - 1.00	1.03 – 3.27	790,000	405,000
May 27, 2022	0.30	4.08	800,000	200,000
	0.41	2.85	4,170,000	2,760,000

- i. On December 23, 2021, 15,000 options expired, unexercised. The options had an exercise price of \$0.65.
- ii. On March 9, 2022, 2,400,000 options were granted to officers of the Company. The options have an exercise price of \$0.40 and expire five years from the grant date. These options vest over three years and will be subject to certain key performance indicators being met, and an annual review by the Board of Directors. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; risk-free rate interest rate of 1.65% and expected volatility of 127%. The fair value assigned to these options was \$817,611. Due to the resignation of these officers in November 2022, and prior to meeting their performance targets, these options did not vest and were cancelled.
- iii. On May 27, 2022, 800,000 options were granted to directors, an officer, and a consultant of the Company. The options have an exercise price of \$0.30 and expire five years from the grant date. These options vest as to 25% immediately and 25% annually thereafter, through to the third



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anniversary of the grant date. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; risk-free rate interest rate of 2.61% and expected volatility of 125%. The fair value assigned to these options was \$166,611. Directors and officers were granted 700,000 options as part of this grant.

- iv. On September 13, 2022, directors of the Company exercised 172,500 options for total proceeds of \$57,000. The options had a weighted average exercise price of \$0.35 and the fair value of \$47,617 was transferred from contributed surplus to share capital.
- v. During the six-month period ended April 30, 2023, 667,500 options expired, unexercised. The options had a weighted average exercise price of \$0.38.
- vi. During the three months ended April 30, 2023, a total of \$15,185 (2022 - \$24,615) was recorded for share-based compensation expense and charged to contributed surplus. During the six months ended April 30, 2023, a total of \$31,530 (2022 - \$55,862) was recorded for share-based compensation expense and charged to contributed surplus. Further, the weighted average exercise price of options granted during the period was approximately \$0.50 (2022 - \$0.47).

d) Warrants

The following is the warrants activity for the year ended October 31, 2022, and the six-month period ended April 30, 2023:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, October 31, 2021	16,660,918	0.65
Issued	27,538	0.50
Expired	(14,253,628)	0.55
Balance, October 31, 2022	2,434,828	1.16
Expired	(27,538)	0.50
Balance April 30, 2023	2,407,290	1.17

The fair value of the Company's 27,538 finders' warrants issued on March 9, 2022, were estimated using the Black-Scholes pricing model, using the following assumptions: expected dividend yield of 0%; risk-free rate interest rate of 1.45% and expected volatility of 128%. The fair value assigned to these warrants was \$9,296. These warrants expired on March 9, 2023.

The following table summarizes the warrants outstanding at April 30, 2023:

Expiry Date	Exercise Price \$	Weighted Average Remaining Life (years)	Number of Warrants Outstanding
July 9, 2023	1.10 - 1.25	0.19	2,407,290
	1.17	0.19	2,407,290



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9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	April 30, 2023	October 31, 2022
Accounts payable	\$276,774	\$491,588
Accrued liabilities - MENDM ⁽¹⁾	884,325	884,325
Other accrued liabilities	57,386	87,621
	\$1,218,485	\$1,463,534

(1) Prior to the acquisitions of Signature Exploration Ltd. and the Lingman Lake Property, the Ministry of Energy, Northern Development and Mines ("MENDM") had requested the removal of certain above-ground storage tanks containing approximately 800,000 litres of fuel that were considered a mine hazard. Due to the failure of the prior owners to comply with MENDM's request for it to be cleaned up, MENDM took action and managed the disposition of the fuel at a cost of \$884,325.

10. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

The premium paid for FT 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 statements of loss and comprehensive loss as a gain, on a pro-rata basis, based on the corresponding Canadian Eligible Exploration ("CEE") expenditures that have been incurred. The Company has met its CEE spending requirements and has fully discharged the premium liability recognized with respect to the March 2022 Offering (note 8) during the year ended October 31, 2022.

11. REHABILITATION PROVISION

Historical work done by other companies on the Company's mining sites also resulted in MENDM issuing an order to the Company requiring the filing of a mine closure plan ("MCP"). Therefore, the rehabilitation provision recorded in these Interim Financial Statements represents the estimate of the eventual legal and contractual obligations associated with a future closure of the Company's mining operations either progressively or at the end of the mine life. A draft MCP was submitted to MENDM in September 2021. The Company is awaiting a response from MENDM to discuss the results of actions taken by the Company with respect to the MCP, and to discuss any further requirements needed to finalize the closure plan. The MCP obligations consist of estimated costs associated with reclamation and monitoring activities and the removal of tangible assets from the Company's mining sites.

A summary of the Company's rehabilitation provision is presented below:

As at	April 30, 2023	October 31, 2022
Balance, beginning of period	\$786,935	\$848,271
Change in estimate	-	(95,794)
Accretion expense	16,934	34,458
Balance, end of period	\$803,869	\$786,935



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During the year ended October 31, 2022, the Company recorded an adjustment to the liability on the statement of financial position at its present value amount, adjusted for 2.53% annual inflation, and discounted back to October 31, 2022, using a risk-free interest rate of 4.35%, which resulted in a change in estimate of \$(95,794), which is included in exploration and evaluation expenditures. During the three-month period ended April 30, 2023, the Company has recorded accretion expense of \$8,512 (2022 – \$2,536) which is included in exploration and evaluation expenditures (note 6). During the six-month period ended April 30, 2023, the Company has recorded accretion expense of \$16,934 (2022 – \$5,061).

12. COMMITMENTS AND CONTINGENCIES

As at April 30, 2023, the Company has recorded an accrued liability for certain future costs detailed in the MCP and a rehabilitation provision (note 11) for its potential environmental liabilities.

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

On November 15, 2022, the Company announced a restructuring which resulted in a number of executive and management changes. As part of the restructuring, certain executive officers and management consultants resigned from their positions, and the Company is committed to paying an aggregate of \$196,342 in salaries and fees as a result.

The Company has termination and change of control provisions included in its agreements with former executive management. In the event of a transaction that constitutes a change of control of the Company, certain amounts would be required to be paid out to those individuals based on their annual base fees and salaries, if certain conditions are met. These contracts contain minimum commitments of approximately \$884,425. As a triggering event has not taken place, the contingent payments have not been reflected in these Interim Financial Statements.

The Company has indemnified the subscribers of Signature's FT share offerings against any tax-related amounts that become payable by the subscribers as a result of the Company not meeting its spending commitments. As at April 30, 2023, the Company believes it has incurred all of its CEE spending requirements.

13. MANAGEMENT OF CAPITAL

The Company considers its capital structure to include the components of shareholders' equity (deficiency). Management's objective is to ensure that there is sufficient capital to support the Company's exploration and corporate activities. In doing so, the Company strives to safeguard its ability to continue as a going concern in order to pursue its principal business of exploration and thereby maximize shareholder returns. As the Company has no revenue from operations, it must self-finance. Historically, the Company has been successful in obtaining financing from private equity placements, however, 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's capital management objectives, policies, and processes have remained unchanged during the period ended April 30, 2023, and 2022. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than that of the TSXV which



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requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

As at April 30, 2023, the Company is not in compliance with the TSXV working capital requirements. The consequences of non-compliance are at the discretion of the TSXV.

14. FINANCIAL INSTRUMENTS

Categories and fair value of financial instruments

The Company's financial instruments consist of cash, investments, amounts receivable, and accounts payable and accrued liabilities. The carrying values of the Company's short-term financial assets and liabilities approximate their fair values due to their short periods to maturity.

The following table summarizes the categories and fair values of the Company's financial instruments:

As at April 30, 2023				
	Carrying Value			Fair Value
	FVTPL	FVTOCI	Amortized Cost	Total
Financial Assets and Liabilities			\$	\$
Cash	-	-	336,188	336,188
Investments	-	-	5,750	5,750
Amounts receivable	-	-	23,308	23,308
Accounts payable and accrued liabilities	-	-	(1,218,485)	(1,218,485)

As at October 31, 2022				
	Carrying Value			Fair Value
	FVTPL	FVTOCI	Amortized Cost	Total
Financial Assets and Liabilities			\$	\$
Cash	-	-	3,219	3,219
Investments	-	-	57,500	57,500
Amounts receivable	-	-	52,071	52,071
Accounts payable and accrued liabilities	-	-	(1,463,534)	(1,463,534)

Credit Risk

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

Liquidity Risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its capital, administrative, and exploration and evaluation expenditures. The objective of this process is to ensure that it secures sufficient cash to meet these planned 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.



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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.

15. SUBSEQUENT EVENT

- a) Subsequent to the period ended April 30, 2023, 1,000,000 options were granted to a director and officer of the Company. The options have an exercise price of \$0.05 and expire five years from the grant date. These options vest as to 25% immediately and 25% annually thereafter, through to the third anniversary of the grant date.