



SIGNATURE RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTH PERIODS ENDED JANUARY 31, 2017 AND 2016

INTRODUCTION

The following discussion and analysis is a review of operations, current financial position and outlook for Signature Resources Ltd. (the "Company" or "Signature") for the three months ended January 31, 2017, and 2016, including other pertinent events subsequent to that date up to and including March 27, 2017. The following information should be read in conjunction with the financial statements for the year ended October 31, 2016. Amounts are reported in Canadian dollars.

This MD&A provides managements view of the financial condition of the Company and the results of its operations for the reporting periods indicated. Additional information related to Signature is available as filed on the Canadian Securities Administrators' website at www.sedar.com.

FORWARD-LOOKING INFORMATION

This Management Discussion and Analysis contains forward-looking statements. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Management's analysis only as of the date hereof. Readers should be aware that the Company is under no obligation to publicly release the results of any revision to these forward-looking statements, which may not reflect circumstances, or occurrences of unanticipated events after the date of this document.

DESCRIPTION OF BUSINESS

The Company was incorporated on May 3, 2010, and is a reporting issuer in the provinces of British Columbia and Alberta and is listed on the TSXV under the symbol "SGU" and on the OTCQB under the symbol "SGGTF". The Company's principal business activity is the identification and evaluation of mineral resource assets in Canada, with a focus on precious metals. The Company's current focus is on the exploration of its Lingman Lake gold property.

The Lingman Lake gold property consists of four free hold patented claims and the twelve staked claims, comprising 616.8 hectares. The property hosts a historic estimate of 234,684 oz of gold* and includes what has historically been referred to as the Lingman Lake Gold Mine, an underground substructure consisting of a 126.5-meter shaft, and 3-levels at 46-meters, 84-meters and 122-meters depths.

***Cautionary Note.** This historical resource estimate is based on prior data and reports obtained and prepared by previous operators, and information provided by governmental authorities. A Qualified Person has not done sufficient work to verify the classification of the mineral resource estimates in accordance with current CIM categories. The Company is not treating the historical estimate as a current NI 43-101-compliant mineral resource estimate. Accordingly, this historical estimate should not be relied upon. Establishing a current mineral resource estimate on the Lingman Lake deposit will require further evaluation, which the Company and its consultants intend to complete in due course. Additional information regarding historical resource estimates is available in the technical report entitled, "Technical Report on the Lingman Lake Property" dated December 20, 2013, prepared by Walter Hanych, P.Geol., and Frank Racicot, P.Geol., available on the Company's SEDAR profile at www.sedar.com

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Field Program and Exploration

During the period ended January 31, 2017, the Company received the results from its program under which it re-assayed samples from 22 holes. The sampling component was two-fold; 1) sample past intervals for confirmation of historic results, 2) test sections of previously un-sampled core exhibiting geological-mineralogical characteristics for potential gold enrichment. The objectives of this program were; to confirm the historic database, potentially identify new zones and extensions to known zones. Key details of the results were:

- 450 were duplicates which produce a 94% correlation with historical drill results
- 17% of the core duplicates (77 samples) yielded results at or above 5 gpt
- Hole 87-54 returned a current assay of 140.14 gpt along a core interval of 0.49 m within a wider interval of 1.7 m which includes 1.10 m of 71.34 gpt resulting in a calculated weighted average of 92.51 gpt
- The Company performed a field program of mapping, prospecting and outcrop sampling under which it located multiple other satellite showings
- 21 grab samples were obtained from outcroppings of gold zones, which generated results of up to 125.28 gpt.

A summary from the re-sampling and assaying of the core is as follows:

Hole No.	From meters	To meters	Length meters	W Avg gpt
87-14	74.28	80.10	5.82	3.41
87-15	10.82	14.23	3.41	7.55
	137.40	143.80	6.40	2.77
87-24	9.36	10.67	1.31	19.92
	49.38	55.93	6.55	4.44
87-25	49.38	54.41	5.03	8.38
87-34	47.85	51.21	3.35	10.46
87-38	42.67	45.72	3.05	4.10
87-54	5.39	6.58	1.19	11.85
	87.48	88.70	1.22	4.31
	168.74	170.32	1.58	92.51
87-55	6.55	9.54	2.99	10.98
	72.54	76.20	3.66	2.78
	56.39	61.66	5.27	3.28
87-63	72.79	75.29	2.50	11.01
87-68	94.49	97.72	3.23	5.08
87-73	69.80	78.94	9.14	13.98
88-06	166.42	169.47	3.05	6.86
88-15	47.85	61.17	13.32	2.93
88-29	36.58	39.93	3.35	3.85

Hole No.	From meters	To meters	Length meters	W Avg gpt
88-48	84.43	88.09	3.66	2.63
88-49	14.63	16.46	1.83	3.87
	45.51	49.99	4.48	12.04
	76.23	84.73	8.50	2.36
88-55	148.53	158.31	9.78	2.72
88-56	151.03	153.92	2.90	8.57
	156.70	158.50	1.80	3.54

With the successful implementation of the program and the highly favourable results, the QA/QC report concluded; “In the Qualified Person’s opinion, the assay data is adequate for the purpose of verification of historic drill core assays and for future resource estimation calculations”, Dr. J. Selway, Ph.D. P.Geo., Caracle Creek International Consulting Ltd.

On December 16, 2015, the Company completed a 3D mineral shell model for the Lingman Lake properties, which has been posted on its website. The model was created by independent consulting firm Caracle Creek International Inc. and is based on archived historical data that has been collated into a digital data base.

Financing and Acquisitions

On December 30, 2016, the Company closed a private placement of flow-through common shares issued for aggregate gross proceeds of \$321,496. The financing comprised of the issuance of 2,473,045 flow-through shares which were issued at a price of \$0.13. The Company paid finder’s fees including \$22,050 in cash and issued 169,613 warrants to qualified finders in connection with the financing. Total issuance costs were \$27,932. Each warrant is exercisable into one common share of the Company at an exercise price of \$0.13 until December 30, 2018 and was valued at \$15,876. Officers and directors of the Company subscribed for 50,000 shares for gross proceeds of \$6,500. The premium on the flow-through shares was \$37,096.

On September 12, 2016, the Company announced final approval from the Ontario Prospectors Association for the Junior Exploration Assistance Program (“JEAP”). Under the JEAP, subject to certain terms and conditions, Signature will receive a rebate of up to 33.33% of the Company’s eligible expenditures related to its Lingman Lake project through December 31, 2016, up to a maximum of \$100,000.

In July 2016, the Company completed a non-brokered private placement (the “Financing”) raising gross proceeds of \$1,066,338. In conjunction with the Financing, the Company closed on its option agreement with European Metals Corp. (“EMC”) and the underlying option agreement completing the acquisition (the “Acquisition”) of the East Lingman Lake Properties, which consists of twelve staked claims which form a contiguous property with the Company’s current patented claims.

Other Corporate

On March 13, 2017, the Company appointed Mr. Asad Sultan to its Advisory Board as well as announced the resignation of Mr. Andrew Cook.

As the Company is moving forward with its exploration program, on August 10, 2016, the Company enhanced its Advisory Board through the addition of an industry consultant, Mr. Paolo Lostritto from Red Cloud Klondike Strike.

On February 29, 2016, the Company announced the initiation of trading of the Company on the OTC Pink under the symbol SGGTF. This platform will serve to facilitate the trading of the Company's securities by U.S. investors in US Dollars. The Company intends to upgrade its initial OTC Pink to the QB tier.

On December 7, 2015, the Company announced the establishment of an Advisory Board consisting of industry leaders in mineral exploration/development and finance. The initial members of the Board consist of Dr. Scott Jobin-Bevans and Mr. Andrew Cook.

On July 16, 2015, the Company announced the appointment of Stephen Timms to the Board of Directors and Audit Committee.

SUMMARY OF QUARTERLY RESULTS

Quarter-Ended	01/31/17	10/31/16	07/31/16	04/30/16	01/31/16	10/31/15	07/31/15	04/30/15
	\$	\$	\$	\$	\$	\$	\$	\$
Net sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss for the period	(110,090)	(127,857)	(71,437)	(46,775)	(48,284)	(3,532)	(34,102)	(46,688)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	3,792,223	3,643,743	3,479,891	2,187,968	2,153,562	2,162,332	2,156,059	2,118,847
Long-term liabilities	237,373	235,535	233,565	218,428	229,818	227,967	239,243	237,350
Cash dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

During the quarter ended January 31, 2017, the Company showed a net loss of \$110,090, which mainly consists of salaries and wages of \$60,000, office and general expenses of \$35,413 and share-based payments of \$17,890.

During the quarter ended October 31, 2016, the Company showed a net loss of \$127,857, which mainly consists of salaries and wages of \$60,000 and share-based payments of \$28,219. During this quarter, the Company initiated its first field program since completing its acquisition of the Lingman Lake Property, which led to increased costs during the period.

During the quarter ended July 31, 2016, the Company showed a net loss of \$71,437, which mainly consists of salaries and wages of \$28,000 and consulting fees of \$15,000. During this quarter, the Company successfully completed a financing which allowed it to move forward with a field program during Q4.

During the quarter ended April 30, 2016, the Company showed a net loss of \$46,775, which mainly consists of salaries and wages of \$24,000 and office and general expenses of \$10,681.

During the quarter ended January 31, 2016, the Company showed a net loss of \$48,284, which mainly consists of salaries and wages of \$24,000 and professional fees of \$15,463.

During the quarter ended October 31, 2015, the Company showed a net loss of \$3,532, which mainly consists of salaries and wages of \$24,000 and professional fees of \$18,080. The net loss was reduced by a gain on settlement of debt of \$40,000 during this period.

During the quarter ended July 31, 2015, the Company showed a net loss of \$34,102, which mainly consists of salaries and wages of \$24,000 and office and general expenses of \$4,046.

During the quarter ended April 30, 2015, the Company showed a net loss of \$46,688, which mainly consists of salaries and wages of \$24,000 and office and general expenses of \$15,764.

MINERAL PROPERTY EXPENDITURES

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

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

LINGMAN LAKE PROPERTY

The Company owns an interest in four free hold patented claims (the “Lingman Lake Property”) located in the Kenora District in Ontario, and situated approximately 325 kilometers north of the Town of Red Lake. The four free hold patent claims cover a total area of 78.5 hectares. Two campaigns in the 1940s and 1980s attempted to bring the property into production. The last attempt outlined a sufficient resource, which will serve as a base from which the Company anticipates to define and expand a significant compliant gold resource.

In addition to this, the Company has exercised the Option and the Underlying Option and acquired the East Lingman Properties. This property surrounds the patented claims and consists of 12 staked claims totaling 538.3 hectares. A significant portion of the historic resource at the Lingman Lake property resides in the eastern claims of the East Lingman Lake property.

LIQUIDITY AND CAPITAL RESOURCES

As of January 31, 2017, the Company had cash and short term investments of \$371,465 (October 31, 2016 - \$350,568) and a working capital deficit of \$662,895 (October 31, 2016 - \$678,284). The Company still requires additional financing to pay for capital expenditures, exploration and administrative costs required to move the business forward. The Company has a history of operating losses and of negative cash flows from operations. While management identifies projects of merit for acquisition, the Company will remain reliant on capital markets for future funding to meet its ongoing obligations.

As at March 20, 2017, the Company’s working capital deficit is approximately \$675,284.

Prior to the acquisition of Cool Minerals and the Lingman Lake Property, the Ministry of Northern Development and Mines (“MNDM”) had requested the removal of certain above ground storage tanks containing approximately 800,000 litres of fuel, which was considered a mine hazard. Due to the failure of the prior owners to comply with MNDM’s request for it to be cleaned up, MNDM took action and managed the disposition of the fuel at a cost of \$884,325. This liability is presented on the Company’s statement of financial position as a current liability.

OUTSTANDING SHARE DATA

For information regarding outstanding share capital of the Company, please see the table presented below as at March 20, 2017.

Common shares	68,101,224
Options	3,910,000
Warrants	27,029,833
Fully diluted share capital	99,041,057

Private Placement

In July, 2016, the Company completed a non-brokered private placement via two tranches, raising total gross proceeds of \$1,066,338 from the issuance of 21,326,750 units at \$0.05 per unit. Each unit consisted of one common share and one common share purchase warrant, with each warrant being exercisable into

one common share at a price of \$0.15 for a period of two years. The Company also issued finder's warrants to purchase 1,178,870 common shares with an exercise price of \$0.05 per share. 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. Officers and directors of the Company subscribed for 600,000 units for gross proceeds of \$30,000.

On December 30, 2016, the Company closed a private placement of common shares issued on a "flow-through" basis for aggregate gross proceeds of \$321,496. The private placement resulted in the issuance of 2,473,045 flow-through shares which were issued at a price of \$0.13 per flow-through share. Officers and directors of the Company subscribed for 50,000 shares for gross proceeds of \$6,500.

The Company paid finder's fees including \$22,050 in cash and issued 169,613 warrants to qualified finders in connection with the Financing. Each warrant is exercisable to purchase one common share of the Company at an exercise price of \$0.13 until December 30, 2018.

Acquisition

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

In July, 2016, concurrent with the closing of the first tranche of its non-brokered private placement, the Company exercised its Option and Underlying Option to acquire the East Lingman Lake Properties. The Company:

- Paid EMC \$127,500 via the issuance of 1,500,000 common shares in the capital of the Company.
- Paid an aggregate amount of \$600,000, for the three installments of \$200,000 which were due on June 30, 2014, 2015 and 2016 to JL, with overdue amounts accruing interest at a rate of 6% per annum. The Company satisfied this requirement by issuing 12,731,178 common shares.

Exercise of Warrants

During the year ended October 31, 2016, 500,000 warrants with an exercise price of \$0.05 were exercised.

During the three months ended January 31, 2017, 137,750 warrants with an exercise price of \$0.05 were exercised.

Subsequent to period end, 775,000 warrants with an exercise price of \$0.05 were exercised.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has issued a 3% net smelter royalty that has been issued over the entire Lingman Lake property, including the East Lingman Properties.

RELATED PARTY TRANSACTIONS

Transactions with related parties are incurred in the normal course of business and are measured at their fair values, which is the amount of consideration established and approved by the related parties. As at January 31, 2017, the Company owes \$90,050 (October 31, 2016 - \$99,382) to executives of the Company for unpaid salaries and wages which remains in accounts payable. These amounts are included in accounts payable and accrued liabilities and are unsecured, non-interest bearing and due on demand.

FINANCIAL INSTRUMENTS

As at January 31, 2017, the Company's financial instruments consist of cash, short term investments, amounts receivable and accounts payable and accrued liabilities. The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

CRITICAL ESTIMATES

Significant assumptions about the future and other sources of estimation uncertainty that management has made during the reporting period could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. These critical estimates relate to, but are not limited to, the following:

i. Exploration and evaluation expenditures

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

ii. Income, value added, withholding and other 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 assumptions about them.

ACCOUNTING POLICIES

Accounting standards issued but not yet effective:

Effective for annual periods beginning on or after November 1, 2017:

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude

tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

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

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring and exploring natural resource properties in Canada. Due to the nature of the Company's proposed business and the present stage of exploration of its resource properties, which are at very early stages, the following risk factors, amongst others, will apply:

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that any future exploration programs will result in the establishment or expansion of resources or reserves.

Exploration and Development Risks

The business of exploring for minerals and mining involves a high degree of risk. There is no assurance the Company's mineral exploration activities will be successful. Few properties that are explored are ultimately developed into producing mines. In exploring and developing any future mineral deposits the Company will be subjected to an array of complex economic factors and technical considerations. Delays in obtaining governmental approvals, inability to obtain financing or other factors could cause delays in exploring and developing properties. Such delays could materially adversely affect the financial performance of the Company. Unusual or unexpected formations, formation pressures, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, environmental hazards, the discharge of toxic chemicals and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company has limited experience in the development and operation of mines and in the construction of facilities required to bring mines into production. The Company has relied and may continue to rely upon consultants and

others for operating expertise. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Financing

The Company's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for a minimum of twelve months. Currently, the Company does not have sufficient funds on hand to continue operating for the next twelve months as they have previously been and will need to obtain additional financing. The Company has no formal credit facilities at this time and given the Company's current stage of development, it is not expected that such credit facilities would be available to the Company.

Future exploration, development, mining, and processing of minerals from any of the Company's future properties will require substantial additional financing. The only current sources of funds available to the Company are the sale of additional equity capital, which if available, may result in substantial dilution to existing shareholders. There is no assurance that such funding will be available to the Company, or that it will be obtained on terms favourable to the Company. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interests.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Management believes the Company's overall liquidity risk has increased from the prior year due to the current global credit crisis and lack of financing available in the equity markets.

Difficulties in Raising Development Capital

Recent market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems and the deterioration of the Canadian, United States and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its capital requirements to pursue the acquisition and exploration of any significant mineral projects or to secure its share of development financing following a decision to place any of its current or future mineral properties into production (whether on its own or on a joint venture basis).

Share Price Volatility

Worldwide securities markets, particularly those in North America, have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered

exploration or development stage companies, have experienced unprecedented fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Most significantly, the share prices of junior natural resource companies have experienced an unprecedented decline in value and there has been a significant decline in the number of buyers willing to purchase such securities.

In addition, significantly higher redemptions by holders of mutual funds has forced many of such funds (including those holding the Company's securities) to sell such securities at any price. As a consequence, despite the Company's past success in securing significant equity financing, market forces may render it difficult or impossible for the Company to secure places to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all.

Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Permits and Licenses

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delay or failure to obtain such licenses and permits or failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Acquisition of Mineral Concessions under Agreements

In the junior natural resource industry, it is typical for companies to enter into option agreements which allow the optionee to acquire the property over time while performing initial exploration activities. If the Company continues to enter into these types of agreements, the Company may have to make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

Environmental and Other Regulatory Requirements

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory approval and there is no assurance that such approvals will be obtained. Although the Company believes its mineral and exploration activities are currently carried out in accordance with all

applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Uninsured Risks

The Company may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure against or which it may elect not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available for exploration and mining activities. In particular, the Company is not insured for environmental liability or earthquake damage.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of base metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company currently does not maintain liability insurance against such liabilities. Although the Company currently intends to obtain insurance when it commences operations of reasonable significance, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

Title Matters

Often, the mining claims in which the Company could acquire an interest in have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims would not be converted to lease and tenure, and are, accordingly, subject to annual compliance with assessment work requirement. Other parties may dispute the Company's title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements, first nation's land claim or transfers of land claims and titles which may be affected by undetected defects.

Conflicts of Interest

Certain of the Company's directors and officers serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural

resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Fluctuation of Metal Prices

The market price of precious metals and other minerals is volatile and cannot be controlled. If the price of precious metals and other minerals should drop significantly, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if commercial quantities of ore are discovered, a profitable market may exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of minerals, the effect of which cannot be accurately predicted.

KEY PERSONNEL

Walter Hanych, Director, President and CEO

Keith McDowell, Director

Jonathan Held, Director, CFO

Stephen Timms, Director

ADVISORY BOARD

Dr. Scott Jobin-Bevans

Paolo Lostritto

Asad Sultan

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