



SIGNATURE
RESOURCES

SIGNATURE RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS PERIODS ENDED JANUARY 31, 2020 AND 2019

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, 2020, including other pertinent events subsequent to that date up to and including March 27, 2020. The following information should be read in conjunction with the condensed consolidated interim financial statements for the period ended January 31, 2020, and the audited financial statements for the year ended October 31, 2019. Amounts are reported in Canadian dollars.

This MD&A provides management's 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 TSX Venture Exchange ("TSXV") under the symbol "SGU", on the OTCQB under the symbol "SGGTF", and on the FSE under the symbol "3S3". 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, located in northwestern Ontario in the Red Lake Mining District consists of four free-hold full patented claims, 14 mineral rights patented claims and 786 single-cell staked claims, comprising a total of approximately 15,720 hectares. The property hosts an historical estimate of 234,684 oz of gold* (1,063,904 tonnes grading 6.86 g Au/t at a 2.73 g Au/t cut-off) 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 three levels of development at depths of 46 m (150 Level), 84 m (275 Level) and 122 m (400 Level).

***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

NI 43-101 Technical Report

On February 13, 2020, the Company announced the filing of a new Technical Report in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) on its 100% owned Lingman Lake project. The Technical Report, titled “*National Instrument 43-101 Technical Report on the Lingman Lake Gold Property, Lingman Lake Area, District of Kenora (Patricia Portion), Ontario, Canada,*” (effective date of January 31, 2020) has been prepared by Mr. J. Siriunas, P.Eng. and Mr. W. Hanych, P.Geo., and is available on SEDAR (www.sedar.com) under Signature’s issuer profile.

This report serves as an update to the 43-101 technical report titled “*Technical Report on The Lingman Lake Property, Lingman Lake Area, District of Kenora, Ontario, Canada,*” (effective date of December 20, 2013).

Drilling Program

On November 13, 2018, the Company reported the results of drill holes 18-09 and 18-10 which targeted the South and Central Zones at the company’s Lingman Lake gold property located in northwestern Ontario. Highlights from the zones drilling are summarized below.

- Drill hole 18-09, South Zone; returned 3.0 meters with an average grade of 12.20 grams per tonne gold (from 55.0 to 58.0 meters). True width is estimated at ~2.3 meters.
- Drill hole 18-09, Central Zone “A”; returned 9.0 meters with an average grade of 6.55 grams per tonne gold (from 65.0 to 74.0 meters). True width estimated at ~ 6.9 meters.
- Drill Hole 18-09, Central Zone “B”; returned 4.0 meters with an average grade of 4.27 grams per tonne gold (from 81.0 to 85.0 meters). True width estimated at ~ 3.1 meters.
- Drill hole 18-10, South Zone; returned 14.0 meters with an average grade of 8.56 grams per tonne (from 22.0 to 36.0 meters). True width is estimated at ~10.7 meters. (Includes 5.0 meters with an average grade of 16.61 grams per tonne from 30.0 to 35.0 meters with a true width of 3.8 meters). Hole collared in vicinity of 45-01 which returned 3.9 meters of 22.60 grams per tonne gold.

On November 8, 2018, the Company reported the results of drill holes 18-03, 18-04 and 18-05, which targeted the North Zone at the Company’s Lingman Lake gold property located in northwestern Ontario. Highlights from the North Zone drilling are summarized below.

- Drill hole 18-05 returned 8.0 meters with an average grade of 17.87 grams of gold per tonne (from 95.0 to 103.0 meters). True width is estimated at ~6.9 meters.
- Drill hole 18-03 returned 4.0 meters with an average grade of 6.84 grams of gold per tonne (from 82.0 to 86.0 meters). True width is estimated at ~3.5 meters.

On November 5, 2018, the Company announced the results of drill holes 18-01 and 18-02, which targeted the West Zone at the company’s Lingman Lake gold property located in northwestern Ontario. Drilling in

the West Zone, the first holes to be reported on herein, is highlighted by the following:

- Drill hole 18-01 returned 9.50 meters with an average grade of 12.15 grams per tonne gold (from 35.5 to 45.0 meters). True width is estimated at ~8.23 meters.
- Drill hole 18-02 returned 5.0 meters with an average grade of 13.65 grams per tonne (from 100.0 to 105.0 meters). True width is estimated at ~4.33 meters.

On October 11, 2018, the Company announced the successful completion of a high resolution GPS survey of the diamond drill casings from the drill campaigns conducted from 1987 to 1989. 84% of the drill casings, from a total of 154 drill holes were located.

On September 18, 2018, the Company announced completion of the drill program of 12 holes and a total of 1,518 meters was completed. Eleven of the holes intersected significant alteration and sulphide mineralization that are typically related to the known gold-bearing mineralization at Lingman Lake. This was the first drill program completed at Lingman Lake since the late 1980's.

On September 10, 2018, the Company announced that it had completed 8 of 12 holes in the drilling program, and initial core observations show numerous characteristics which are typically associated with gold and which have historically been reported with identified zones. Drill hole 18-03 targeting the North Zone of mineralization at Lingman Lake is an example, which has intersected two sections of variably altered and sheared rock. Visual examination of the core reveals that the zones are a bleached, moderately to highly silicified and carbonatized, variably pyritic and highly foliated rock. The foliation is the result of high shear strain, which is an environment conducive to fluid movement and possible gold mineralization.

The following intersections have been observed: Meterage is measured down hole and reflects core interval. The hole was drilled at an azimuth of 360 degrees, (true north) and at a -45 degree dip angle to intersect steeply south dipping (70-80 degree) east-west striking lithological-deformational trends.

44.35 - 53.55 meters (9.20-meter length); with up to 5% pyrite in the upper and lower 2 to 3-meter shoulders of the section. See image below of this intercept.

64.47 - 77.23 (12.76-meter length); very chloritic with pervasive carbonate and brecciated appearance with 5% pyrite in upper <1 meter of the intersection.



Image Description: Image of core run for hole 18-03 showing intersection of North Zone between 44.35 and 53.55 meters down the hole. See description above. Photo taken on site at Lingman Lake mine, September 8th, 2018. The drill hole pierced the North Zone about 10 to 16 meters below the 150 Level drift (46-meter depth, east-west underground tunnel) of the mine. The intercept is below a 41-meter length of this drift, which historical records indicate averaged 15.4 grams of gold per tonne.

Increased Land Package

On June 25, 2018, the Company announced the closing of the Lingside Property as announced on May 15, 2018 (see below), 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, and granted to the vendor a 3% net smelter returns royalty applicable to minerals produced from the Property.

On May 15, 2018, the Company announced that it has signed a binding asset purchase agreement (the "Agreement") to acquire the Lingside Property (the "Property"), a property located in the Kenora District, Province of Ontario.

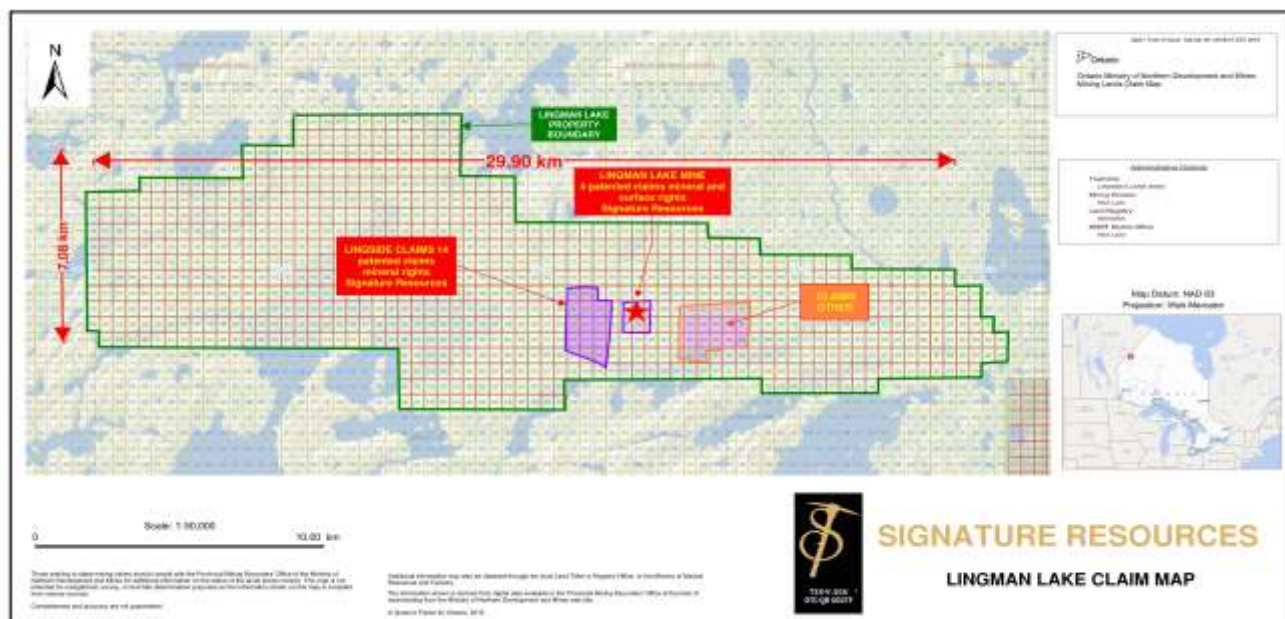
Pursuant to the terms of the Agreement, which are subject to final approval by the TSXV, Signature shall pay to the vendor \$600,000, payable by the delivery of 5,000,000 common shares in the capital of the Company at a deemed issue price of \$0.12 per common share, and will grant to the vendor a 3% 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 April 30, 2018, the Company announced the staking of an additional 157 single cell claims totaling 3,099.2 hectares. The claims, in part, cover the eastern extension of the favourable gold trend by approximately 8 kilometers.

During the year ended October 31, 2017, the Company staked 38 additional claims totaling 9,280 hectares. The Company is aware of numerous mineral occurrences throughout the new staked claims, including one area with over 40 reported occurrences. The new claims were staked along a 22 kilometer gold trend. The trend is defined by the contact between volcanic and granitic rocks along the north margin of the Lingman Lake greenstone belt. The Lingman Lake gold deposit, known as the Lingman Lake gold mine, which Signature is currently actively exploring and developing and which hosts an historic estimate

of 234,684 oz of gold, is associated with this contact.

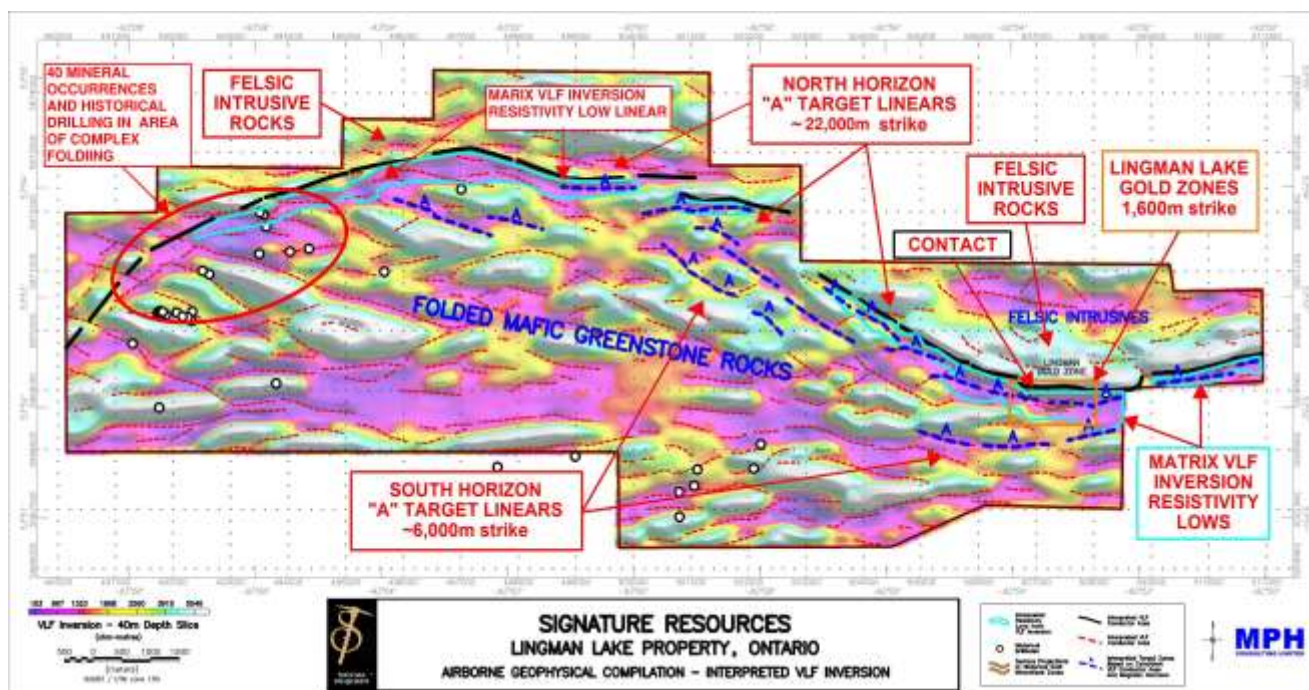
The area with over 40 reported mineralized occurrences is located 15-kilometers west of Signature’s Lingman Lake gold mine property. Numerous blast trenches and limited drilling have been performed in the past in this area. Gold, silver, molybdenite, galena, chalcopyrite and sphalerite mineralization have been reported from these occurrences. The Company will be continuing to review historical assessment filings, among other data available on the claims that have been staked.



Airborne Survey

The Company commissioned Terraquest Ltd. to undertake an airborne survey of its Lingman Lake property in late 2017. This covers the majority of Signature’s property at that time and is comprised of the following components; high resolution aeromagnetics, digital matrix VLF-EM and pending snow conditions radiometrics. The digital Matrix VLF-EM data was acquired using a 50 meter line-spacing and a ground clearance of 70-80 meters. The airborne survey was completed on March 27, 2018.

An image of the reconstructed total field magnetics from the airborne survey is presented below highlighting key areas identified:



The results of the airborne survey were analyzed and shows the gold mineralized zones at Lingman Lake display correlation to both the magnetic and electromagnetic components of the survey. The Company identified an initial approximately 16 kilometers of priority target horizons for gold mineralization with 12 high priority targets that are recommended for ground evaluation along the North Horizon.

Upon continued analysis, the Company received additional interpretation of its airborne geophysical data. The interpretation defines a new horizon (“South Horizon”) with multiple high priority targets. The geophysical response of the South Horizon is similar to that observed for the Lingman Lake gold mineralized zones, in both the Magnetic and VLF data. The South Horizon contains 6 high priority targets. The South Horizon collectively is 6.2 kilometers long and is separated from the 16 kilometers long North Horizon, by approximately 900 meters.

On June 11, 2018, the Company announced that inversion of a test block of data for the Terraquest Matrix VLF system has identified resistivity lows that are coincident with both the Northern and Southern Target Horizons, which contain multiple high priority targets. The test of the VLF inversion method clearly shows distinct lows that are probably due to fracturing and alteration along interpreted ~East-West controlling structures. This response is clearly observed for the Lingman Lake gold mineralized zones within the Northern Horizon and the new Southern Horizon.

Historical Drilling and Re-Assaying

In January 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.

Financing

On November 6, 2019, the Company closed the first tranche (the “First Tranche”) of a non-brokered private placement for gross proceeds of \$322,104 by issuing 6,442,080 non-flow through units at \$0.05 per unit. Each non-flow through unit consists of one common share of the Company and one warrant. Each whole warrant is exercisable for a period of two years at a price of \$0.10 per share from the date of issuance. The Company issued a total of 6,442,080 warrants with a value of \$84,564 in connection with this private placement. With respect to the warrants, if the Company’s closing share price is equal to or greater than \$0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. Total issuance costs of \$13,577 were incurred in connection with this private placement.

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.

In November 2018, 1,000,000 stock options were exercised with an exercise price of \$0.05. The exercise price was settled with amounts owing to the option holders.

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. 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. No finders’ fees were paid upon closing of the Final Tranche.

On July 26, 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 non-flow-through unit consists of one common share of the Company and one warrant. Each flow-through share consists of one flow-through common share.

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 whole Warrant entitles the holder thereof to acquire an additional common share (a “Warrant Share”) of the Company at an exercise price of \$0.25 per Warrant Share for a period of 2 years from the date of issuance, provided that if after four months and one day following the closing of the Offering, the closing price of the Company’s common shares on the TSXV is equal to or greater than \$0.40 for 10 consecutive trading days, then the Company may accelerate the expiry date of the Warrants by disseminating a press release and in such case the Warrants will expire on the 30th day after the date on which such press release is disseminated by the Company.

On December 22, 2017, the Company announced the closing of the second and final tranche of its previously-announced non-brokered financing announced on November 14, 2017 (see below). Together with the first tranche, the financing has resulted in aggregate proceeds of approximately \$757,000.

The Company raised gross proceeds of \$440,000 pursuant to the second tranche through the issuance of 1,500,000 hard-dollar units at a price of \$0.08 per unit, and 3,200,000 flow-through units at a price of \$0.10 per unit. Each hard-dollar unit consists of one common share of the Company and one common share purchase warrant (“Hard-Dollar Units”). Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant (“Flow-Through Units”). Each whole warrant is exercisable to purchase one common share at a price of \$0.15 for a period of 24 months from the issue date. 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 of the warrants to 90 days by issuing a press release.

On November 14, 2017, the Company announced that it closed the first tranche of a non-brokered private placement for gross proceeds of \$317,000. Pursuant to the financing, the Company issued an aggregate of 1,900,000 Hard-Dollar Units and 1,650,000 Flow-Through Units.

Other Corporate

On June 26, 2019, the Company announced that it is now trading on the FSE under the symbol 3S3.

On May 8, 2018, the Company announced that it has appointed Dr. Dimitrios Kostopoulos to its advisory board.

SUMMARY OF QUARTERLY RESULTS

Quarter-Ended	01/31/2020	10/31/2019	07/31/2019	04/30/2019	01/31/2019	10/31/2018	07/31/2018	04/30/2018
	\$	\$	\$	\$	\$	\$	\$	\$
Net sales	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Loss for the period	(229,525)	(129,110)	(236,443)	(168,388)	(212,291)	(96,094)	(138,018)	(194,197)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	6,345,606	6,521,860	6,272,055	6,200,201	5,872,887	6,128,486	5,929,769	4,141,691
Long-term liabilities	273,847	273,847	271,679	269,528	267,394	251,196	249,173	247,167
Cash dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

During the quarter ended January 31, 2020, the Company incurred a net loss of \$229,525 (2019 - \$212,291), which consisted mainly of salaries and wages of \$122,609 (2018 - \$122,609), office and general of \$38,636 (2019 - \$34,349) and professional fees of \$37,840 (2018 - \$17,904). The increase in net loss of \$17,234 was mainly the result of an increase in professional fees of \$19,936 and depreciation of \$13,541, net of a decrease in share-based payments of \$21,896. The Company incurred more legal fees and costs associated with business development in the current period. The Company did not issue any new options in the current period compared to prior year period.

During the quarter ended October 31, 2019, the Company incurred a net loss of \$129,110 (2018 - \$96,094), which consisted mainly of salaries and wages of \$26,791 (2018 - \$76,200), office and general of \$42,559 (2018 - \$47,960) and professional fees of \$23,161 (2018 - \$53,781). The increase in net loss of \$33,016 was mainly the result of the following: A decrease in premium on flow-through shares income of \$166,226 as the Company no longer has any remaining deferred premium liability compared to prior year; net of decreases in professional fees of \$30,620 and share-based payments of \$65,396. The Company incurred less legal fees and costs associated with business development in the current period. The Company did not issue any new options in the current period compared to prior year period.

During the quarter ended July 31, 2019, the Company incurred a net loss of \$236,443 (2018 - \$138,018), which consisted mainly of salaries and wages of \$76,200 (2018 - \$66,200), office and general of \$79,061 (2018 - \$53,574), professional fees of \$30,476 (2018 - \$37,389), and share-based payments of \$26,401 (2018 - \$40,670). The increase in net loss of \$98,425 was mainly the result of the following: increases in office and general expenses of \$25,487 and depreciation expense of \$20,505, and a decrease in the premium on flow-through income of \$61,322. Marketing and promotion expenses were higher in the current period, which increased the office and general expenses year over year. The Company included depreciation expense in exploration and evaluation assets in the prior year, which resulted in an increase in depreciation expense in the current period. The Company did not recognize any deferred premium income in the current period as it no longer has any remaining deferred premium liability.

During the quarter ended April 30, 2019, the Company incurred a net loss of \$168,388 (2018 - \$194,197), which consisted mainly of salaries and wages of \$76,200 (2018 - \$61,200), office and general of \$24,661 (2018 - \$61,554), professional fees of \$33,170 (2018 - \$33,559), and share-based payments of \$21,066 (2018 - \$67,885). The decrease in net loss of \$25,809 was mainly the result of the following: decreases in

office and general expenses of \$36,893 and share-based payments of \$46,819, net of a decrease in the premium on flow-through shares income of \$32,068. The Company did not issue any stock options in the current period compared to prior period, which resulted in lower stock option expenses year over year. Travel and shareholder outreach activities costs were also lower in the current period which resulted in a decrease in office and general expenses year over year. The Company did not recognize any deferred premium income in the current period as it no longer has any remaining deferred premium liability.

During the quarter ended January 31, 2019, the Company showed a net loss of \$212,291 (2018 - \$92,035), which consisted mainly of salaries and wages of \$122,609 (2018 - \$60,400), office and general of \$34,349 (2018 - \$35,721) and share-based payments of \$28,263 (2018 - \$2,886). Salaries and wages increased by \$62,209 year over year, as a result of an increase in management fees in the current period. Professional fees increased by \$11,904, as a result of additional consultants and legal fees incurred with relation to the continued business development. There was also an increase in share-based payments of \$25,377 year over year due to the vesting of options granted to consultants in the previous period.

During the quarter ended October 31, 2018, the Company showed a net loss of \$96,094 (2017 - \$108,906). Salaries and wages remained consistent year over year; however, the Company had an increase in professional fees of \$34,417 related to additional consultants and legal fees incurred with relation to the continued business development. The Company also recorded an increase in share-based payments of \$69,821 year over year due additional options granted to consultants in the current period. The increase in office and general expenses year over year of \$20,087 related to shareholder outreach activities. The Company recorded deferred premium income on flow-through shares of \$166,226, an increase of \$162,547 from prior year.

During the quarter ended July 31, 2018, the Company showed a net loss of \$138,018 (2017 - \$92,284). Salaries and wages remained consistent year over year, however, the Company had an increase in professional fees of \$31,389 related to additional consultants and legal fees incurred with relation to the continued business development. The Company also recorded an increase in share-based payments of \$32,588 year over year due to the vesting of additional options, which were granted to officers, directors and consultants in the prior period. The increase in office and general expenses year over year of \$33,246 related to additional travel costs incurred and shareholder outreach activities.

During the quarter ended April 30, 2018, the Company showed a net loss of \$194,197 (2017 - \$113,459). Salaries and wages remained consistent year over year, however, the Company had an increase in professional fees of approximately \$23,399 related to the engagement of additional consultants, and certain costs associated with applying for DTC eligibility. The Company also recorded an increase in share-based payments of \$59,293 year over year due to the issuance of additional options to officers, directors and consultants during the period. The increase in office and general period over period of \$15,569 related to additional travel costs incurred.

MINERAL PROPERTY EXPENDITURES

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

	Lingman Lake
	\$
Balance, October 31, 2018	5,399,612
Staking	3,325
Consulting expenses	187,605
Geophysical consulting	81,941
Contract labour	12,650
Logistics	13,466
Travel and lodging	11,618
Equipment rentals	2,016
Depreciation	5,927
Field supplies	37,751
Drilling	83,000
Balance, October 31, 2019	5,838,911
Consulting expenses	46,200
Geophysical consulting	3,366
Equipment rentals	496
Depreciation	1,110
Field supplies	513
Balance, January 31, 2020	5,890,596

LIQUIDITY AND CAPITAL RESOURCES

As of January 31, the Company had cash of \$86,895 (October 31, 2019 - \$267,639) and a working capital deficit of \$1,685,846 (October 31, 2019 - \$1,500,341). 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.

During the year ended October 31, 2019, the Company took on a promissory note in the amount of \$164,000. The entire proceeds of the promissory were used to purchase the drill that is currently on site.

As at March 24, 2020, the Company's working capital deficit is approximately \$1,762,766.

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 27, 2020.

Common shares	108,356,784
Options	6,425,000
Warrants	18,045,279
Fully diluted share capital	132,827,063

Private Placement

In November 2018, 1,000,000 stock options were exercised with an exercise price of \$0.05.

On April 18, 2019, the Company closed 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.

On November 6, 2019, the Company closed the first tranche of a non-brokered private placement for gross proceeds of \$322,104 by issuing 6,442,080 non-flow through units at \$0.05 per unit.

Warrants

During the year ended October 31, 2019, 169,613 warrants with an exercise price of \$0.13 per common share expired unexercised.

During the period ended January 31, 2020, 6,213,000 warrants expired unexercised, and 6,442,080 warrants were issued with an exercise price of \$0.10.

Stock Options

In November 2018, 1,000,000 stock options were exercised with an exercise price of \$0.05. 400,000 stock options with an exercise price of \$0.05 expired unexercised.

In January 2019, 35,000 stock options with an exercise price of \$0.10 expired unexercised.

In June 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.

In August 2019, 100,000 vested options with an exercise price of \$0.06 expired.

In November 2019, the Company issued 100,000 options to a consultant. The options have an exercise price of \$0.05 and expire on November 7, 2024. The options vest immediately upon issuance.

OFF-BALANCE SHEET ARRANGEMENTS

A 3% net smelter return (“NSR”) is attached to four full patented claims (mineral and surface rights) and 12-legacy staked claims totaling 616 hectares historically referred to as the Lingman Lake property. Under the terms of a separate agreement a 3% NSR was granted with the acquisition of the Lingside Property which consists of 14 patented mineral rights claims totaling 275.5 hectares. In both cases the Company can purchase one-half of the NSR interest for CDN \$1,500,000.

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, 2020, the Company owes \$261,778 (October 31, 2019 - \$181,772) to executives of the Company for unpaid salaries and wages. Other amounts owing to related parties total to \$25,408 (October 31, 2019 - \$38,058) as at January 31, 2020. These amounts are included in accounts payable and accrued liabilities and are unsecured, non-interest bearing and due on demand.

FINANCIAL INSTRUMENTS

Categories and fair value of financial instruments

The Company’s financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and a promissory note. 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 January 31, 2020	\$			
	FVTPL	Carrying Value		Fair Value
		FVTOCI	Amortized Costs	Total
Financial Assets and Liabilities				
Cash	-	-	86,895	86,895
Amounts receivables	-	-	17,619	17,619
Accounts payable and accrued liabilities	-	-	1,643,729	1,643,729
Promissory note	-	-	172,953	172,953
As at October 31, 2019				
	\$			
	FVTPL	Carrying Value		Fair Value
		FVTOCI	Amortized Costs	Total
Financial Assets and Liabilities				
Cash	-	-	267,639	267,639
Amounts receivables	-	-	29,377	29,377
Accounts payable and accrued liabilities	-	-	1,667,961	1,667,961
Promissory note	-	-	169,540	169,540

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

Standards issued and effective for the period ended January 31, 2020:

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.

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.

The Company has adopted these new standards and have determined there was no significant impact on the condensed consolidated interim 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 subject 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

Jonathan Held, Director, CFO

Stephen Timms, Director

ADVISORY BOARD

Dr. Scott Jobin-Bevans

John Leliever

Dr. Dimitrios Kostopoulos

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