SIGNATURE RESOURCES

Discipline | Execution | Integrity

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## FOR THE THREE AND NINE MONTHS ENDED

## JULY 31, 2022 AND 2021

## 1.0 INTRODUCTION

The following discussion and analysis are a review of operations, current financial position and outlook for Signature Resources Ltd. ("Signature" or the "Company") for the three and nine months ended July 31, 2022 and 2021, including other pertinent events subsequent to that date up to and including September 27, 2022. The following information should be read in conjunction with the condensed interim consolidated financial statements for the three and nine months ended July 31, 2022 and notes thereto ("Interim Financial Statements"), and the audited consolidated financial statements for the years ended October 31, 2021 and 2020, and notes thereto, ("Annual Financial Statements"). Amounts are reported in Canadian dollars.

This Management's Discussion and Analysis ("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 on the Company's profile at www.sedar.com.

## 2.0 FORWARD-LOOKING INFORMATION

This MD&A 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.

## 3.0 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 Market under the symbol "SGGTF", and on the Frankfort Stock Exchange under the symbol "3S3". The Company's principal business activity is the identification, evaluation and exploration of mineral resource assets in Canada, with a focus on precious metals. The Company is currently exploring Signature's Lingman Lake gold property in North-western Ontario.

The Lingman Lake gold property consists of 1,434 staked claims, four freehold full patented claims and 14 mineral rights patented claims totaling approximately 27,448 hectares. The property hosts a historical estimate of 234,684 oz of gold* (1,063,904 tonnes grading 6.86 g/t with 2.73 gpt 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 3-levels at 46-metres, 84-metres and 122-metres depths. The property is not in production.

The Company has expedited the development of an initial NI 43-101 resource estimate which is intended to replace the aforementioned historical resource (announced in February 2022 and targeted for completion in H1 2023).

**Cautionary Note.* The 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 (as defined) 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, the historical estimate should not be relied upon. Additional information regarding historical resource estimates is available in the technical report entitled, "Technical Report on the Lingman Lake Property" dated January 31, 2020, prepared by John M. Siriunas, P.Eng. and Walter Hanych, P.Geo. available on the Company's SEDAR profile at *www.sedar.com.*

## 4.0 HIGHLIGHTS

**TECHNICAL**

- *Signature has engaged the services of Wood Canada Limited (formerly Amec Foster Wheeler) to complete an initial NI 43-101 mineral resource estimate ("43-101") for the Lingman Lake Project. Work has commenced and is expected to be completed in H1/23.*

**CORPORATE**

- *On September 13, 2022, directors of the Company exercised 862,500 options for total gross proceeds of $57,000. The options had a weighted average exercise price of $0.07.*
- *On March 9, 2022, the Company closed a non-brokered private placement ("March Offering") of flow-through shares and non-flow-through shares, for aggregate gross proceeds of $2,447,336.*
- *Discussions with various geology services companies were ongoing during Q2/2022 and up to the date of this MD&A to assess their capabilities and capacity to support the Company in exploration management, possible internal resource estimation, and site geology and drilling management.*
- *The Company held its Annual General and Special Meeting of Shareholders on May 26, 2022. All Resolutions were passed, and Priya Patil was elected as Signature's newest corporate director. Priya previously held the position of Advisor of Signature.*

**OUTLOOK**

On March 9, 2022, the Company announced the engagement of Wood Canada Limited to complete an initial NI 43-101 for the Lingman Lake Project. This work is expected to provide guidance for the Lingman Lake site area on the expected future drilling and exploration programs.

The Company is continuing with the ongoing compilation and management of its exploration data. This includes, but is not limited to, inputting of all current and historical drill data into a drill software management program which should standardize data output for future drill programs and resources estimate updates.

Additional and parallel work includes advancement of the regional potential of Signature's vast property. This work is expected to further refine the top-ranked regional targets and may include ground-based geophysics and surface data collection to prepare for future priority target test-drilling.

Signature's exploration strategy is focused on safely and responsibly defining and expanding the 100%-owned Lingman Lake Gold project and, within its regional property, the discovery of additional gold deposits with economically profitable potential. Management continues to be prudent and disciplined in the development and execution of its exploration strategy within the macro environment of changing stock markets and economic conditions related to gold exploration.

## 5.0 OVERALL PERFORMANCE

The Company ended 2021 with the delivery of additional strong extension-drilling and gold assay results which further extends the high-grade gold mineralization to depth at Lingman Lake. This provides supporting evidence for the Company's model that the Lingman Lake gold system has significant growth potential in all directions.

***National Instrument 43-101 Resource Update***

The Company announced in February 2022, based on the exploration data re-evaluation in January 2022, the decision to accelerate its plans to commission an initial NI 43-101. The planned resource estimate should provide Signature with several key insights to position the Company's 2022/2023 exploration strategy, including:

- Establishing an initial NI 43-101 compliant resource that is more representative of the existing mineralization;
- Providing a better understanding of the associated local geology and geologic controls of the mineralization; and
- Positioning the team to be able to continue to unlock and extend the pending initial resource with improved geological guidance for drilling, as testing and developing new drill targets at Lingman Lake continues.

Since engaging the services of Wood Canada Limited ("Wood"), formerly Amec Foster Wheeler, to complete the initial NI 43-101 for the Lingman Lake Gold Project, the company has reported on June 29, 2022 that substantial work has been completed and has contributed to an improved understanding of the Lingman Lake deposit. Current activities include:

- Finalizing the compilation of the drill and assay database
- 3D geologic modelling and analysis
- Identification and analysis of gaps and opportunities to improve the completeness of the assay database to support geological interpretation and the resource estimate
- Engaging Watts, Griffis, and McQuat Limited ("WGM") to provide supplemental assistance and peer review with the initial resource

The initial work has revealed areas requiring additional data to further improve the understanding of the Lingman Lake gold mineralization and has further indicated that a small portion of historical assays are not to NI 43-101 standards. As a result of these recommendations, the Company engaged in additional assay and site work intended to advance the resource estimation. Completion of this work is expected to allow the Company to publish an initial resource in H2/22.

**New gold zones identified.** As a result, the Company embarked on a campaign of the additional sampling and assaying of a limited number of drill holes between the existing high-grade gold shear zones ("Intra-Zone"). Out of 30 holes sampled, 7 holes have newly identified low-grade mineralization and a number of higher-grade shoots. Intercept widths ranged from 1.0 to 2.0 metres. (***See Table 1***). Sampling was over 1.0 metre intervals.

These newly sampled intervals collectively aimed to:

1. Identify gold mineralization between the previously identified zones where no assaying had been conducted historically (***See Figure 1***).
2. Collect and add new data to the geology database to aid and expand the geologic understanding and resource model.
3. Demonstrate the potential for an expanded initial resource estimate by identifying the presence of a broader mineralized, near-surface, gold system beyond the extents of the existing high-grade zones.
4. Improve the continuity of existing gold zones by filling gaps in the geologic database and resource model (***See Figure 2***).

**Expanding Mineralization within the Geological Footprint.** Based on the results of the sampling program, the Company expects that, when incorporated into Wood's ongoing initial resource modelling, the data should enhance the quantity and quality of the initial resource estimate. This additional knowledge gained from the sampling program could better inform future exploration work and points to the need for further sampling between areas of known mineralization. The Company has aligned its procedures with respect to assay and data collection with CIMVal standards and best practices.

**Poised for Further Resource Expansion.** In anticipation of future drilling at the Lingman Lake Project, the Company advanced the development of camp infrastructure during 2021. Much of the work done during that period provides a degree of insulation from rising costs and supply issues in the exploration sector. Onsite exploration work, including drilling, can be started in a timely manner. The Company has two 100%-owned diamond drills onsite along with an initial inventory of drilling consumables to support up to 10,000 metres of drilling. As the current drill extents of the Lingman Lake Project are shallow averaging about 200 metres downhole, a follow up drill program could capture an opportunity to materially grow the resource.

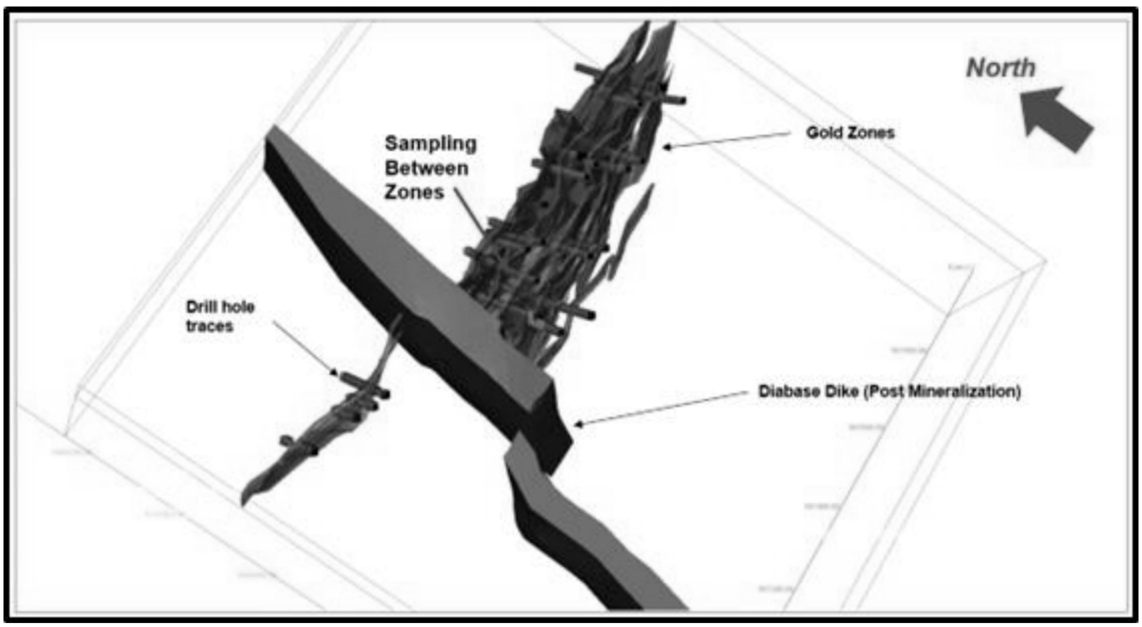



**Figure 1 - Additional Sampling and Assaying "between" the existing high-grade gold zones**

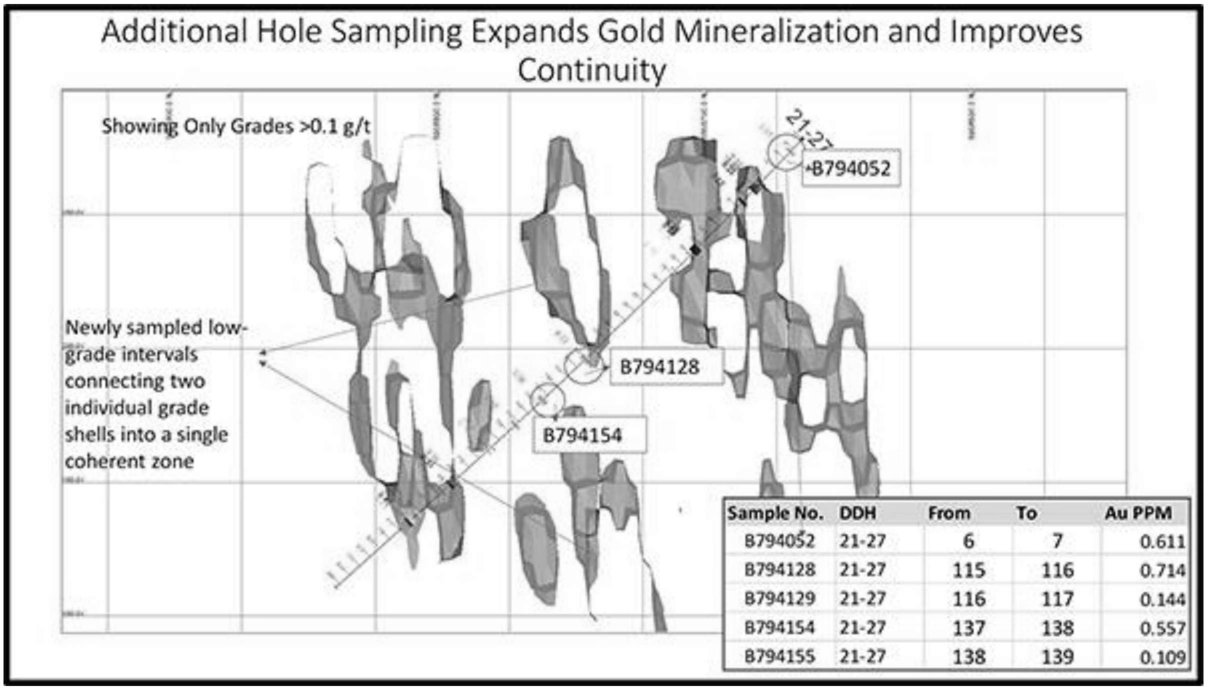



***Figure 2 - Sample section demonstrating new low-grade intervals expanding gold mineralization and improving continuity***

| DDH | From | To | Width (m) | g/t Au |
|---|---|---|---|---|
| LM88-48 | 111.56 | 113 | 1.44 | 4.85 |
| | | | | |
| LM88-06 | 152 | 153 | 1.00 | 3.79 |
| | | | | |
| LM88-55 | 90 | 91 | 1.00 | 0.66 |
| | | | | |
| LM88-55 | 93 | 94 | 1.00 | 2.07 |
| | | | | |
| LM88-34 | 60 | 61.11 | 1.11 | 0.65 |
| | | | | |
| LM88-55 | 77 | 78.0 | 1.00 | 0.46 |
| | | | | |
| LH21-27 | 6 | 7 | 1.00 | 0.61 |
| | | | | |
| LH21-27 | 115 | 117 | 2.00 | 0.43 |
| | | | | |
| LH21-27 | 137 | 138 | 1.00 | 0.56 |
| | | | | |
| LM87-68 | 74.0 | 75 | 1.00 | 2.81 |
| | | | | |
| LM87-73 | 27 | 28 | 1.00 | 0.33 |

Table 1 - Selected sampling results between the existing gold zones

For technical data and results prior to 2021, see MD&As filed on the Company's profile on www.SEDAR.com.

*__2021/2022 Regional Exploration__*

On November 15, 2021, the Company announced geophysical interpretations of the 2021 High-Resolution Magnetometer, Matrix VLF Airborne survey. Eight new targets were identified, which combined with targets from the 2018 survey, which was flown using the same platform, a total of 15 high interest targets covering the vast land holding were identified for prioritization. Initial target selection was based on:

- Structurally complex zones defined in magnetic data and historic data compilations;
- Regional-scale folds and faults interpreted from the data; and
- Lithological boundaries.

*__2021/2022 Lingman Lake Area Exploration__*

On November 3, 2021, the Company announced results of ongoing compilation of historical data and recently completed Ground Magnetometer survey (September 2021) as follows:

- Past drilling east of Mud Lake, which is located 650 metres east of the Lingman Lake Main zones of the mine area, revealed that the mineralized system continues eastward past Mud Lake for approximately 500 metres;
- Extension eastward of the North and Central zones 500 metres beyond Mud Lake;
- A potential new zone located immediately north of the North zone, along the edge of an east-west trending magnetic linear, (Target FNZ-1 and 2). Modelling and compilation work suggest that this linear was intersected in by historical holes drilled northward beyond the North zone;
- Correlation of the Lingman Lake Gold zones with the edges of magnetic linears provided the basis for initial targeting south of the Lingman Lake Gold Zones, identified as FSZ1,2,3,4, and 5; and

GIS (geographic information systems) compilation work in part assisted by high resolution ortho-photogrammetry produced from the 2021 LIDAR survey located the position of an historical surface sample which assayed 6.86 g/t Au. The sample site is located 160 metres south of Base Lake and coincides with two new subparallel magnetic linear targets; the southern target correlating to a Very Low Frequency Electromagnetic ("VLF") linear that is over 1,000 metres in length (Figure 1: targets BL1 and BL2).

*__Drill Program in Q1 2022__*

In Q4/2021 and Q1/2022, the drill campaign was directed at the gold mineralized systems around the underground workings of the Lingman Lake Mine, to test for depth extent and zone continuity. 12 holes totaling 2,260-metres were drilled testing vertical depths of 250-metres. Current drill results and geological modelling of the North Zone indicates that the zones plunge steeply to the east. Approximately 150 metres of strike length were tested.

On December 16, 2021, the Company announced the final results of its H2 2021 drill campaign from drill hole LM21-30.

Highlights from this hole included:

- 8.24 grams-per-tonne gold (“g/t Au”) over 2.0 metres (“m”) from 90 to 92 metres downhole; including 10.10 g/t Au over 1.0 m from 90 to 91 m downhole in drill hole in the Central Zone ‘A’
- 7.14 g/t Au over 2.0 m from 99 to 101 m downhole; including 10.50 g/t Au over 1.0 m from 99 to 100 m downhole in drill hole in the Central Zone ‘B’.

On December 14, 2021, the Company announced the results from drill holes LM21-27, 28A and 30 (partial) of its 2021 Fall drill campaign.

Highlights from holes LM21-27 and LM21-28A included:

- 7.07 g/t Au over 4.0 m in LM21-27; including 11.9 g/t Au over 1.0 m
- 3.54 g/t Au over 2.0 in LM21-28A.

On December 8, 2021, the Company announced the results from drill holes LM21-22,24,25,26 and 29 of its 2021 Fall drill campaign.

Highlights from holes LM21-25 and LM21-26 included:

- 6.64 g/t Au over 3.0 m in LM21-26; including 18.5 g/t Au over 1.0 m
- 6.97 g/t Au over 2.0 metres in LM 21-25

***Drill Program in H2 2022***

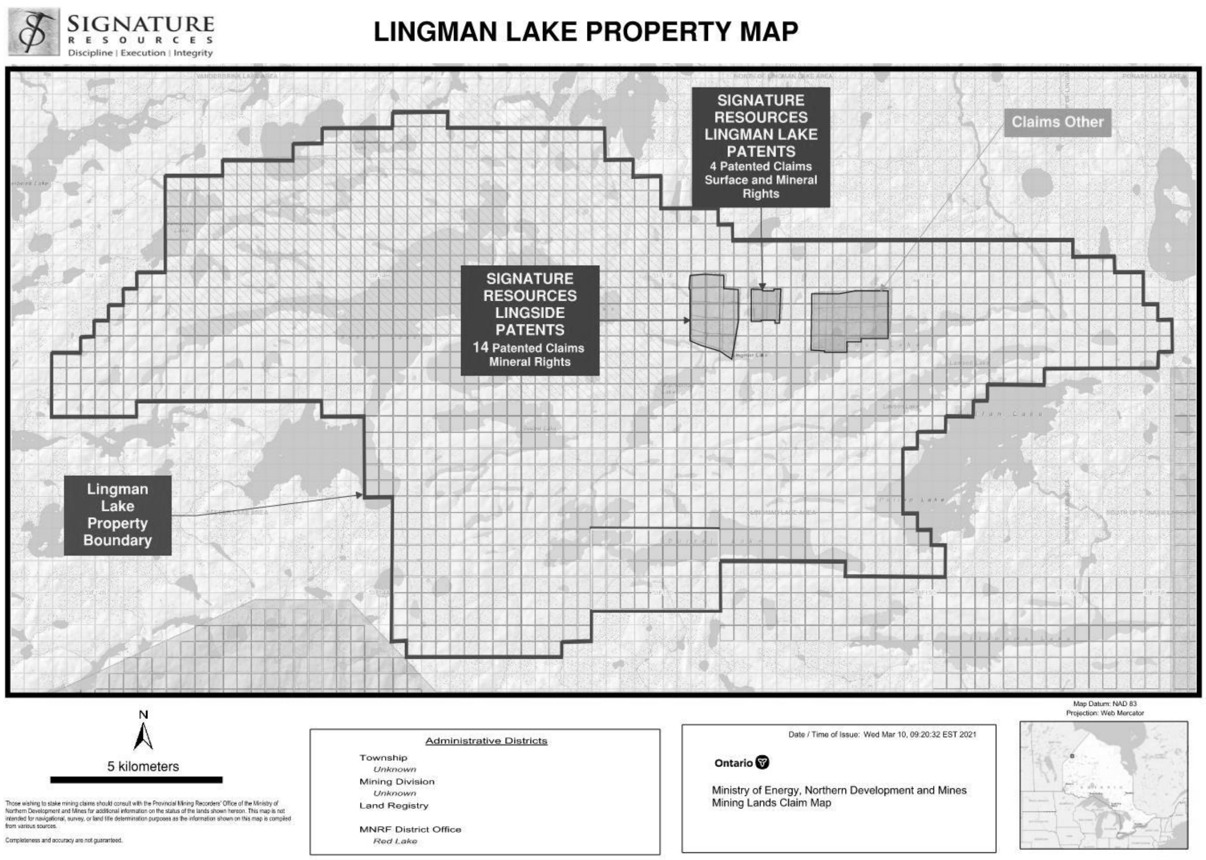
Subsequent to the drilling campaign which was completed in December 2021, no drilling was planned or occurred during Q2 and Q3 2022, and there is no expectation to execute a drill program during Q4 2022. No additional drilling is required to complete the NI 43-101 report noted above.

**Highlights of site activities in 2022:**

- Site drilling ended in early December followed by equipment shutdown and temporary camp closure preparations;
- The planning, scheduling and execution of equipment and supplies via winter road access to Red Sucker Lake staging area commenced early 2022. Equipment and supplies that were transported up the winter road to Red Sucker Lake in Q1/2022, which provided a significantly cheaper logistical alternative for transport of large heavier equipment, were shipped to site late in April via helicopter;
- The site camp was closed for any major activities except for delivery of specific equipment and supplies as well as maintenance and assembly of equipment during late April and in early May due to the focus on resource development;
- There was a site visit with a representative from Wood Canada Limited in early May in order to establish the requirements to satisfy the NI 43-101 mineral resource estimate work that Wood was conducting; and
- A diamond drilling company visited the Lingman Lake site to assess and discuss a drilling partnership with Signature to supplement the Company's 100% owned diamond drill rigs.
- Starting on June 08, 2022 through to July 20, 2022, a small crew was on site to work on the campaign of the additional sampling and assaying of a limited number of drill holes between the existing high-grade gold shear zones. A total of 30 drill hole core from 1987, 1988 and 2021 was cut and sampled for assaying
- A diamond drill report for the Winter -Spring 2021 and Fall 2021 programs is expected to be completed by the end of October 2022, and filed for assessment credits.

***Land Tenure***

Assessment work was filed through the Mining Land Administration System (MLAS) Ministry of Energy Northern Development and Mines, Ontario, in June 2022, for the 2021 Airborne Geophysical Survey and 2021 Ground Magnetometer Survey. Expenditures totaling $164,056 from the Airborne survey were distributed to claims accordingly. Expenditures totaling $92,087 from the Ground Magnetometer Survey were distributed to claims accordingly. The allocated expenditures were distributed into reserves for respective claims for future assessment distribution.



## 5.1 RESULTS OF OPERATIONS

### SUMMARY OF QUARTERLY RESULTS

| | F2022 | | | F2021 | | | | F2020 |
|---|---|---|---|---|---|---|---|---|
| | **Q3** | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 |
| | **$** | $ | $ | $ | $ | $ | $ | $ |
| Net sales | **Nil** | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Loss for the period | **(498,679)** | (425,726) | (373,239) | (357,206) | (503,014) | (230,559) | (295,249) | (377,974) |
| Loss per share [1] | **(0.00)** | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) |
| Total assets | **16,801,222** | 17,282,757 | 15,522,862 | 15,860,346 | 16,302,950 | 11,799,401 | 10,117,613 | 7,233,144 |
| Long-term liabilities | **855,879** | 853,332 | 850,796 | 848,271 | 273,847 | 273,847 | 273,847 | 273,847 |

[1] Basic and diluted.

**Three months ended July 31, 2022 vs 2021**

During the quarter ended July 31, 2022, the Company incurred a net loss of $498,679 (2021 - $503,014), which consisted mainly of salaries and wages of $158,175 (2021 - $153,600), office and general expenses of $117,603 (2021 - $101,081), professional fees of $21,105 (2021 - $50,624), and share-based payments expense of $202,066 (2021 - $166,700). The decrease in net loss of $4,335 was mainly attributable to decreased professional fees of $29,519 due to an equity financing completed in the prior year period. This was offset by increased share-based payments in Q3/2022 compared to Q3/2021 ($35,366) principally due to the amortization of expense and vesting for options granted during Q3/2022 and to several tranches of previously granted options with higher underlying valuation assumptions. Finally, the premium on flow-through shares income recognized during Q3/2022 was higher than that recorded in Q3/2021 by $64,942 as a result of incurring higher qualified expenditures eligible for CEE renouncement in the current year period.

**Nine months ended July 31, 2022 vs 2021**

During the nine months ended July 31, 2022, the Company incurred a net loss of $1,297,644 (2021 - $1,028,822), which consisted mainly of salaries and wages of $510,725 (2021 - $417,480), office and general expenses of $355,033 (2021 - $240,920), professional fees of $89,537 (2021 - $116,119), and share-based payments expense of $257,928 (2021 - $492,962). The increase in net loss of $268,822 was principally due to the recording of certain other items outside of the normal operating activities. Heightened exploration activity during the 2021 period resulted in recording significantly higher premium on flow-through shares income ($279,864 in 2021 compared to $180,828 in 2022) as the Company incurred more eligible CEE in the prior year and in November 2020 certain agreements were negotiated to settle indebtedness and the negotiations resulted in the Company recording a gain on the forgiveness of debt in the amount of $79,100. The settlement of debts was not repeated in Q3/2022. Salaries and wages, and general and administrative expenses were higher year-over-year due to expanded staffing and heightened operational activity. Conversely, share-based payments expense was significantly higher in the nine months ended July 31, 2021 due to the amortization and vesting of several tranches of option grants in the prior year. Depreciation was significantly higher in both the three- and nine-month periods in the current year due to the accelerated purchase of drilling and other equipment made by the Company, from Q2/2021 onwards.

### FINANCING

On March 9, 2022, the Company closed a non-brokered private placement (the “March Offering”) of flow-through shares and non-flow-through shares, raising aggregate gross proceeds of $2,447,336 through the issuance of

19,692,335 non-flow-through shares (the "NFT Shares") and 18,082,800 flow-through shares (the "FT Shares"). Each NFT Share was issued at a price of $0.06, and each FT Share was issued at a price of $0.07. The Company paid finder's fees of $8,261 and issued 137,690 finder warrants exercisable at $0.10 per share for a period of 12 months from the date of closing. All securities issued in the March Offering are subject to a statutory hold period ending July 10, 2022. The net proceeds from the Offering are being used for the commission of the NI 43-101 resource estimate and related deposit characterization, ongoing exploration data compilation, and for general corporate purposes.

**EQUIPMENT AND EXPLORATION AND EVALUATION ASSETS**

The Company purchased a total of $182,029 (2021 - $1,200,360) of drilling and other field and computer equipment during the nine months ended July 31, 2022. Management believes the capital investment in equipment supports the optimization of the exploration camp, improves drilling support, worker safety and effectiveness.

**MINERAL PROPERTY EXPENDITURES AND REHABILITATION PROVISION**

The following summarizes the cumulative expenditures incurred on the Lingman Lake project to July 31, 2022:

| | **Lingman Lake** |
|---|---|
| **Balance, October 31, 2020** | **$6,401,261** |
| Field supplies | 1,377,308 |
| Travel and lodging | 1,121,533 |
| Logistics | 744,056 |
| Contract labour | 698,341 |
| Airborne survey | 628,793 |
| Asset retirement obligation adjustment | 574,424 |
| Consulting expenses | 353,584 |
| Geophysical and geological consulting | 495,980 |
| Salaries and wages | 345,567 |
| Acquisition costs | 37,000 |
| Equipment rentals | 21,866 |
| Drilling | 8,406 |
| Depreciation | 3,711 |
| **Balance, October 31, 2021** | **$12,811,830** |
| Logistics | 646,623 |
| Contract labour, salaries, wages | 402,316 |
| Field supplies | 353,135 |
| Consulting fees | 306,869 |
| Geophysical and geological consulting | 304,795 |
| Travel and lodging | 179,838 |
| Geotechnical and storage | 106,549 |
| Equipment rentals | 90,933 |
| Assays | 75,128 |
| Asset retirement obligation accretion expense | 7,608 |
| **Balance, July 31, 2022** | **$15,285,624** |

**Rehabilitation Provision**

Historical work done by other companies on the Company's mining sites also resulted in the MENDM issuing an order to the Company requiring the filing of a mine closure plan (“MCP”). Therefore, the rehabilitation provision recorded in the Interim Financial Statements represents the estimate of the eventual legal and contractual obligations associated with a future closure of the Company’s mining operations either progressively or at the end of the mine life. A draft MCP was submitted to MENDM in September 2021. An update meeting with MENDM is expected to take place during H2 2022 to discuss the results of actions taken by the Company and to discuss any further requirements needed to finalize the closure plan. The MCP obligations consist of estimated costs associated with reclamation and monitoring activities and the removal of tangible assets from the Company’s mining sites. The cost estimates for certain tasks included in the MCP were provided by third party suppliers. If the Company performs some or the majority of the tasks outlined in the MCP, the Company may be able to re-evaluate the final estimates for the rehabilitation.

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

| **As at** | **July 31, 2022** | October 31, 2021 |
|---|---|---|
| Balance, beginning of period | **$848,271** | $273,847 |
| Change in estimate | **-** | 574,424 |
| Accretion expense | **7,608** | - |
| **Balance, end of period** | **$855,879** | $848,271 |

The estimated costs of $848,271 increased from the historic estimated costs of $273,847 due to an expanded scope of work and a change of certain assumptions regarding inflation and the cost of capital. The Company has recorded the additional liability on the Statement of financial position at its present value amount, adjusted for 2% annual inflation, and discounted back to October 31, 2021, using a risk-free rate of 1.77%. Should assumptions used or partial completion of any work outlined be completed, Management will review and revise the estimate Plan costs as applicable. During the period ended July 31, 2022, the Company has recorded accretion expense of $7,608 which is included in exploration and evaluation assets in the Interim Financial Statements. Management reviews the estimate recorded at the end of each Reporting Period.

**LIQUIDITY AND CAPITAL RESOURCES**

As of July 31, 2022, the Company had cash and investments of $100,203 (October 31, 2021 - $1,425,281) and a working capital deficiency of $847,992 (October 31, 2021 – working capital of $350,495). The Company still requires additional financing to pay for capital expenditures and exploration and administrative costs required to advance exploration on its Project. The Company has a history of operating losses and of negative cash flows from operations. While Management may identify and evaluate potential projects of merit for acquisition, the Company remains reliant on capital markets for future funding to meet its ongoing and future obligations.

Prior to the establishment of full operations at the Company's Lingman Lake Property, the Ministry of Energy, Northern Development and Mines (“MENDM”) had requested the removal of certain above ground storage tanks containing approximately 800,000 litres of fuel, which was considered a mine hazard. This request was made to prior owners of the mine site and they failed to comply with MENDM’s request to clean it up. As a consequence, MENDM took action and managed the disposition of the fuel at a cost of $884,325. (the "Clean-up Cost"). Pursuant to accounting principles, the potential Clean-up Cost has been recorded on the Company’s statement of financial position as a current accrued liability, however no attempt at collection by MENDM has been made to date. Further, in early September 2021, the Company submitted a draft mine closure plan to MENDM, a plan that addresses this item and others. The Company plans to address these items during an update meeting with MENDM expected to take place in the near future.

## OUTSTANDING SHARE DATA

For information regarding outstanding share capital of the Company, please see the table presented below.

| As at | September 27, 2022 | July 31, 2022 | October 31, 2021 |
|---|---|---|---|
| Common shares | 275,698,162 | 274,835,662 | 237,060,527 |
| Options | 36,187,500 | 37,050,000 | 21,125,000 |
| Warrants | 12,174,142 | 45,268,738 | 83,304,592 |
| **Fully diluted share capital** | **324,059,804** | **353,154,400** | **341,490,119** |

## COMMON SHARES

The Company is authorized to issue an unlimited number of common shares without par value.

The Company has never paid dividends.

See note 8(b) – Share Capital in the Interim Financial Statements for details of all share issuances as at and during the nine months ended July 31, 2022 and the year ended October 31, 2021 (the "Reporting Periods").

The following is the share capital activity for the Reporting Periods:

| | Number of common shares | Amount |
|---|---|---|
| **Balance, October 31, 2020** | **142,700,804** | **$7,730,552** |
| Private placements | 78,151,157 | 8,324,674 |
| Less: share issuance costs | - | (288,630) |
| Fair value of warrants issued | - | (1,255,436) |
| Shares issued for the acquisition of claims | 200,000 | 37,000 |
| Shares issued for debt | 5,839,093 | 371,054 |
| Shares issued for services | 184,615 | 36,000 |
| Exercise of stock options | 1,750,000 | 169,674 |
| Exercise of warrants | 8,234,858 | 981,522 |
| Premium on flow-through shares | - | (524,313) |
| **Balance, October 31, 2021** | **237,060,527** | **$15,582,097** |
| Private placements | 37,775,135 | 2,447,336 |
| Less: share issuance costs | - | (44,773) |
| Fair value of warrants issued | - | (9,296) |
| Premium on flow-through shares | - | (180,828) |
| **Balance, July 31, 2022** | **274,835,662** | **$17,794,536** |

**STOCK OPTIONS**

See note 8(c) – Share Capital - Stock Options, and note 5 – Subsequent Event, in the Interim Financial Statements for details of all stock option activity during the Reporting Periods.

Signature has a stock option plan (the "SOP"), the purpose of which is to attract, retain and motivate management, staff and consultants by providing them with the opportunity, through share options, to acquire a proprietary interest in the Corporation and benefit from its growth. The maximum number of options to be issued under the Plan shall not exceed 10% of the total number of common shares issued and outstanding. The options are non-transferable and may be granted for a term not exceeding ten years. The exercise price and the vesting period of the options are determined by the Board on the basis of the market price of the common shares, subject to all applicable regulatory requirements.

The fair value of the Company's stock options outstanding was estimated using the Black-Scholes option pricing model using the following assumptions for the years ended October 31, 2021 and 2020, and the periods ended July 31, 2022 and 2021:

| | **2022** | 2021 |
|---|---|---|
| Expected volatility (based on historical share prices) | **125%** | 110%-137% |
| Risk-free interest rate | **1.65%-2.61%** | 0.22%-0.97% |
| Expected life (years) | **5** | 1-5 |
| Expected dividend yield | **Nil** | Nil |
| Forfeiture rate | **Nil** | Nil |
| Underlying share price | **$0.05-$0.08** | $0.07-$0.175 |

The following summarizes the stock options activity during the Reporting Periods:

| | **Number of Options** | **Weighted Average Exercise Price $** |
|---|---|---|
| **Balance at October 31, 2020** | **9,675,000** | **0.08** |
| Granted | 13,325,000 | 0.11 |
| Exercised | (1,750,000) | 0.06 |
| Expired | (125,000) | 0.06 |
| **Balance at October 31, 2021** | **21,125,000** | **0.10** |
| Granted | 16,000,000 | 0.08 |
| Expired | (75,000) | 0.13 |
| **Balance at July 31, 2022** | **37,050,000** | **0.09** |

On September 13, 2022, directors of the Company exercised 862,500 options for total gross proceeds of $57,000. The options had a weighted average exercise price of $0.07.

The following summarizes the outstanding stock options at July 31, 2022:

| Grant Dates | Exercise Price $ | Weighted Average Remaining Life (years) | Number of Options Outstanding | Number of Options Exercisable |
|---|---|---|---|---|
| Mar. 1- Oct. 29, 2018 | 0.08 - 0.12 | 0.58 – 1.25 | 3,450,000 | 3,450,000 |
| Jun. 17 - Nov. 7, 2019 | 0.05 - 0.075 | 1.88 – 2.27 | 350,000 | 350,000 |
| Apr. 1 - Aug. 17, 2020 | 0.05 - 0.10 | 0.67 – 3.05 | 4,000,000 | 4,000,000 |
| Nov. 1 - Dec. 23, 2020 | 0.065 - 0.13 | 3.28 – 3.40 | 8,500,000 | 4,937,500 |
| Jan. 19 - Feb.16, 2021 | 0.11 - 0.13 | 3.47 – 3.55 | 800,000 | 450,000 |
| May 10 - Aug. 4, 2021 | 0.16 - 0.20 | 1.78 – 4.01 | 3,950,000 | 1,543,750 |
| Mar. 9 - May 27, 2022 | 0.06 - 0.08 | 4.61 – 4.82 | 16,000,000 | 1,000,000 |
| | **0.09** | **3.65** | **37,050,000** | **15,731,250** |

**WARRANTS**

See note 8(d) - Share Capital - Warrants in the Interim Financial Statements for details of all warrants activity in the Reporting Periods.

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

| | **2022** | 2021 |
|---|---|---|
| Expected volatility (based on historical share prices) | **125%** | 132% |
| Risk-free interest rate | **1.65%** | 0.24%-0.27% |
| Expected life (years) | **0.86** | 1-1.33 |
| Expected dividend yield | **Nil** | Nil |
| Forfeiture rate | **Nil** | Nil |
| Underlying share price | **125%** | 132% |

The following is the activity of warrants during the Reporting Periods:

| | Number of Warrants | Weighted Average Exercise Price $ |
|---|---|---|
| **Balance at October 31, 2020** | **43,265,368** | **0.11** |
| Issued | 48,274,082 | 0.14 |
| Exercised | (8,234,858) | 0.11 |
| **Balance at October 31, 2021** | **83,304,592** | **0.13** |
| Issued | 137,690 | 0.10 |
| Expired | (43,087,987) | 0.11 |
| **Balance at July 31, 2022** | **40,354,295** | **0.14** |

The following summarizes the outstanding warrants at July 31, 2022:

| Issuance Date | Exercise Price $ | Weighted Average Remaining Life (years) | Number of Warrants Outstanding |
|---|---|---|---|
| August 25, 2020 | 0.05 - 0.10 | 0.07 | 21,429,486 |
| September 11, 2020 | 0.05 - 0.10 | 0.37 | 6,750,667 |
| July 9, 2021 | 0.22 - 0.25 | 0.94 | 12,036,452 |
| March 9, 2022 | 0.10 | 0.61 | 137,690 |
| | **0.14** | **0.34** | **40,354,295** |

Subsequent to the period ended July 31, 2022, 28,180,153 warrants expired, unexercised. The warrants had a weighted average exercise price of $0.10.

**OFF-BALANCE SHEET ARRANGEMENTS**

A 3% net smelter return ("NSR") is attached to each of three different claim blocks:
a) four full patented mining (mineral and surface rights) claims known as the Lingman Lake Mine,
b) 12 legacy Crown land claims known as Lingman Lake East/Anaconda claims, and
c) 14 partially patented mining (mineral rights) claims known as the Lingside claims.

The Company can purchase one-half of the NSR of each claim block for $1,500,000, collectively totaling $4,500,000, for all three.

**PROPOSED TRANSACTIONS**

There are no proposed transactions at the date of this report.

**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 July 31, 2022, the Company owes $36,235 (October 31, 2021 - $66,902) to executives of the Company for unpaid consulting fees. These amounts are included in accounts payable and accrued liabilities (note 9). They are unsecured, non-interest-bearing, and due on demand.

Short-term management fees paid to related parties during the nine-month period ended July 31, 2022 includes $165,400 (2021 - $nil) which has been recorded in Exploration and evaluation assets on the statement of financial position.

| | Three months | | Nine months | |
|---|---|---|---|---|
| **Periods ended July 31,** | **2022** | 2021 | **2022** | 2021 |
| Short-term management fees | **$250,175** | $144,600 | **$611,925** | $390,480 |
| Share-based payments | **157,813** | 54,425 | **194,557** | 314,836 |
| | **$407,988** | $199,025 | **$806,482** | $705,316 |

## FINANCIAL INSTRUMENTS

*Categories and fair value of financial instruments*

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

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

| **As at July 31, 2022** | | | | |
|---|---|---|---|---|
| | | **Carrying Value** | | **Fair Value** |
| | **FVTPL** | **FVTOCI** | **Amortized Cost** | **Total** |
| Financial Assets and Liabilities | | | **$** | **$** |
| Cash | **-** | **-** | **100,203** | **100,203** |
| Investments | **-** | **-** | **57,500** | **57,500** |
| Amounts receivable | **-** | **-** | **65,239** | **65,239** |
| Accounts payable and accrued liabilities | **-** | **-** | **(1,147,887)** | **(1,147,887)** |

| As at October 31, 2021 | | | | |
|---|---|---|---|---|
| | | Carrying Value | | Fair Value |
| | FVTPL | FVTOCI | Amortized Cost | Total |
| Financial Assets and Liabilities | | | $ | $ |
| Cash | - | - | 75,281 | 75,281 |
| Investments | - | - | 1,350,000 | 1,350,000 |
| Amounts receivable | - | - | 254,546 | 254,546 |
| Accounts payable and accrued liabilities | - | - | (1,396,638) | (1,396,638) |

## 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 i) exploration and evaluation expenditures, ii) income, value-added, withholding and other tax-related estimates, iii) estimations of restoration, rehabilitation and environment obligations, and iv) share-based payments.

A detailed description of Management's estimates can be found in note 2 - Basis of Presentation and Statements of Compliance - in the Annual Financial Statements.

## ACCOUNTING POLICIES

A detailed description of the accounting policies applied by the Company can be found in note 3 – Significant Accounting Policies – in the Annual Financial Statements.

*Standards issued and effective for annual periods beginning on or after November 1, 2021*

**IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28")** were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

**IAS 1 – Presentation of Financial Statements ("IAS 1")** was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

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

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

The Company has not adopted these policy amendments and standards and is currently assessing the potential impact of them on the Company's Interim Financial Statements.

**RISKS AND UNCERTAINTIES**

The Company is in the business of acquiring and exploring natural resource properties in Canada. Due to the high-risk 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, may apply:

<u>Exploration Stage Company</u>

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success depends 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 could 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.

Permits and Licenses

The operations of the Company 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.

Claim 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.

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.

Operating Hazards including Insurance 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 could 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. Although the Company currently holds certain insurance coverage, 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.

Key Personnel

Attracting and retaining experienced senior officers are critical to Signature's success. Recruiting qualified personnel as the Company grows is also critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons, is intense. As the Company's business activity grows, so may the requirement for additional key financial, administrative, regulatory and mining personnel as well as additional operations staff. If the Company is unsuccessful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company.

Financing

To fund future exploration on its mining interests, the Company requires capital. Dependent on exploration success results, the Company may not have sufficient working capital and may have to access the capital markets. There is no assurance that such funding will be available to the Company, or that it may 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. 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.

Competition

There is aggressive competition within the mining industry for the identification, evaluation and acquisition of properties considered to have commercial potential. The Company competes with other mineral exploration 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. The Company's inability to compete with other mineral exploration companies for these resources may have a material adverse effect on the Company's results of operations and business.

Share Price Volatility

Similar to other mineral exploration companies, Signature's share price is subject to certain volatility which is not necessarily related to the operating performance, underlying asset values or prospects of the Company. The

Company's share price may be influenced by external factors that are beyond the control of management. There can be no assurance that fluctuations in the Company's share price will not occur.

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. 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.

Community Relations

The Company's relationship with the local communities and First Nations ("Interested Parties") where it operates is critical to ensure the future success of its existing activities and the potential development and operations of its Lingman Lake project. Failure by the Company to maintain good relations with these Interested Parties could result in adverse claims and difficulties for the Company.

COVID-19 Outbreak

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time and continues to monitor the COVID-19 developments but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

Due to the adverse effects that COVID-19 has imposed upon the exploration industry, MENDM implemented a process for claim holders to apply for an extension of time to perform the required assessment work to maintain claims in good standing. On March 22, 2021, an extension application was submitted for the 296 claims held by Signature, in North of Lingman Lake Area, Lingman Lake Area and Vanderbrink Lake Area. On April 21, 2021 a Ministry order was signed in response to the application; as a result, a 12-month extension was granted and the due date to perform the required assessment work in order to maintain the claims in good standing, was extended by one year. In June 2022, the technical team completed its assessment report to quantify the eligible expenditures incurred for the assessment work performed during the Reporting Periods.

## CORPORATE DIRECTORY

### DIRECTORS

Robert Vallis, Director, President, CEO
Paolo Lostritto, Director, Chairman of the Board
Stephen Timms, Director, Chair of the Audit Committee
Lisa Davis, Independent Director
John Hayes, Independent Director
Dan Denbow, Independent Director
Priya Patil, Independent Director

### OFFICERS AND MANAGEMENT

Robert Vallis, President and CEO
Walter Hanych, Chief Geologist
Donna McLean, CFO
Rickardo Welyhorsky, COO
Sarah Morrison, Corporate Secretary

### ADVISORY BOARD

Dr. Scott Jobin-Bevans
John Leliever

### AUDITORS

McGovern Hurley LLP
Toronto, ON

### LEGAL COUNSEL

Weir Foulds LLP
Toronto, ON

### TRANSFER AGENT

TMX Trust Co.
Toronto, ON

### BANKER

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Toronto, ON

### CORPORATE OFFICE

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

### SHAREHOLDER INFORMATION

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