SIGNAL EXPLORATION INC.

Interim Financial Statements

September 30, 2011

(Unaudited)

NOTICE TO READER

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

SIGNAL EXPLORATION INC.

Interim Statements of Financial Position
(Unaudited)

		September 30, 2011		December 31, 2010
Assets				
Current assets				
Cash	$	6,474	$	428
Amounts receivable		6,878		17,664
Total current assets		13,352		18,092
Non-current assets				
Exploration and evaluation assets (Note 3)		149,406		124,536
Total assets	$	162,758	$	142,628
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities	$	-	$	7,141
Due to related parties (Note 4)		4,355		8,110
Total liabilities		4,355		15,251
Shareholders' equity				
Share capital (Note 5)		261,000		226,000
Share subscriptions receivable		–		(48,000)
Deficit		(102,597)		(50,623)
Total shareholders' equity		158,403		127,377
Total liabilities and shareholders' equity	$	162,758	$	142,628

Nature of operations and continuance of business (Note 1)
Commitments (Note 6)
Subsequent event (Note 7)

Approved on behalf of the Board:

/s/ "Barry Hartley"

Barry Hartley, Director

/s/ "Brent Hahn"

Brent Hahn, Director

(The accompanying notes are an integral part of these financial statements)

SIGNAL EXPLORATION INC.
Interim Statements of Comprehensive Loss
(Unaudited)

	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Period from March 9, 2010 (date of inception) to September 30, 2010
Revenue	$ –	$ –	$ –	$ –
Expenses				
General and administrative	18,060	–	51,974	450
Total expenses	18,060	–	51,974	450
Net loss and comprehensive loss	$ 18,060	$ –	$ 51,974	$ 450
Basic and diluted loss per share	$ (0.00)	$ –	$ (0.01)	$ –
Weighted average shares outstanding	6,580,000	2,252,000	6,480,000	1,822,285

(The accompanying notes are an integral part of these financial statements)

SIGNAL EXPLORATION INC.
Interim Statement of Changes in Equity
From March 9, 2010 (date of inception) to September 30, 2011
(Unaudited)

	Share capital		Share subscriptions receivable	Deficit	Total shareholders' equity
	Number	Amount			
Balance, March 9, 2010	–	$ –	$ –	$ –	$ –
Common shares issued to acquire mineral property	2,000,000	12,000	–	–	12,000
Common shares issued for cash	252,000	12,600			12,600
Net loss	–	–	–	(450)	(450)
Balance, September 30, 2010	2,000,000	24,600	–	(450)	24,150
Common shares issued for cash	3,028,000	151,400	(48,000)	–	103,400
Common shares issued for management services	1,000,000	50,000	–	–	50,000
Net loss	–	–	–	(50,173)	(50,173)
Balance, December 31, 2010	6,280,000	226,000	(48,000)	(50,623)	127,377
Share subscriptions received	–	–	48,000	–	48,000
Common shares issued for cash	300,000	15,000	–	–	15,000
Capital contributions from companies controlled by the President and Chief Executive Officer of the Company	–	20,000	–	–	20,000
Net loss	–	–	–	(51,974)	(51,974)
Balance, September 30, 2011	6,580,000	$ 261,000	$ –	$ (102,597)	$ 158,403

(The accompanying notes are an integral part of these financial statements)

SIGNAL EXPLORATION INC.
Interim Statements of Cash Flows
(Unaudited)

	Nine months ended September 30, 2011	Period from March 9, 2010 (date of inception) to September 30, 2010
Cash provided by (used in):		
Operating activities		
Net loss for the period	$ (51,974)	$ (450)
Changes in non-cash working capital items:		
Amounts receivable	10,786	(6,700)
Accounts payable and accrued liabilities	(7,141)	(16,456)
Due to related parties	(3,755)	1,104
Net cash used in operating activities	(52,084)	(22,502)
Investing activities		
Exploration and evaluation asset expenditures	(24,870)	(79,098)
Net cash used in investing activities	(24,870)	(79,098)
Financing activities		
Proceeds from issuance of common shares	83,000	101,600
Net cash provided by financing activities	83,000	101,600
Increase in cash	6,046	–
Cash, beginning of period	428	–
Cash, end of period	$ 6,474	$ –
Non-cash investing and financing activities:		
Common shares issued to acquire mineral property	$ –	$ 12,000
Supplemental disclosures:		
Interest paid	$ –	$ –
Income taxes paid	$ –	$ –

(The accompanying notes are an integral part of these financial statements)

1. Nature and continuance of operations

   Signal Exploration Inc. (the "Company") was incorporated in the province of British Columbia on March 9, 2010. The Company is a resource exploration company that is acquiring and exploring mineral properties.

   These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2011, the Company has not generated any revenue and has incurred losses since inception. The Company's continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant accounting policies

   (a) Basis of preparation

   These Interim Financial Statements have been prepared in accordance with International Accounting Standard ("IAS 34"), Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company's financial statements as at and for the period ended December 31, 2010. Accordingly accounting policies applied are the same as those applied in the Company's annual financial statements.

   (b) Use of estimates and judgments

   The preparation of the Company's financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

   Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

   Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, fair value of stock-based compensation, and future income tax asset valuation allowances.

   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 are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

2. Significant accounting policies (continued)

(c) Accounting standards, interpretations and amendments to existing standards

Effective January 1, 2011, the Company adopted new and revised IFRS's issued by the IASB. The application of these new and revised IFRS has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

(i) Effective January 1, 2011 the Company adopted the following accounting standards:

Amendments to IFRS 7, "Financial Instruments: Disclosures"

Amendment to disclosure requirements, specifically, ensuring qualitative disclosures are made in close proximity to quantitative disclosures in order to better enable financial statement users to evaluate an entity's exposure to risks arising from financial instruments.

Amendments to IAS 1, "Presentation of Financial Statements"

Clarification that the breakdown of changes in equity resulting from transactions recognized in other comprehensive income is required to be presented in the statement of changes in equity or in the notes to the financial statements.

Amendments to IAS 24, "Related Party Disclosures"

Amendment of the definition for related parties.

Amendments to IAS 34, "Interim Financial Reporting"

(ii) Accounting standards issued but not yet effective:

Effective for annual periods beginning on or after July 1, 2011:

Amendments to IFRS 7, "Financial Instruments: Disclosures"

Increase in disclosure with regards to the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period.

Effective for annual periods beginning on or after January 1, 2013:

New standard IFRS 9, "Financial Instruments"

Partial replacement of IAS 39, "Financial Instruments: Recognition and Measurement"

New standard IFRS 13, "Fair Value Measurement"

IFRS 13 replaces the fair value measurement guidance currently dispersed across different IFRS standards with a single definition of fair value and extensive application guidance. IFRS 13 provides guidance on how to measure fair value and does not introduce new requirements for when fair value is required or permitted. It also establishes disclosure requirements to provide users of the financial statements with more information about fair value measurements.

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

3. Exploration and evaluation assets

Acquisition costs:		
Balance, December 31, 2010 and September 30, 2011	$	12,000
Exploration costs:		
Balance, December 31, 2010		112,536
Geological and reports		24,870
Balance, September 30, 2011		137,406
	$	149,406

4. Related party transactions

(a) As at September 30, 2011 the amount of $2,409 (December 31, 2010 - $4,309) is owed to the Chief Executive Officer of the Company which is unsecured, non-interest bearing, and due on demand.

(b) As at September 30, 2011, the amount of $1,946 (December 31, 2010 - $3,801) is owed to the President of the Company which is unsecured, non-interest bearing, and due on demand.

5. Share capital

Authorized: unlimited common shares without par value

Common share transactions:

During the nine months ended September 30, 2011, the Company renounced $138,000 of mineral exploration expenditures to flow-through share subscribers.

On April 1, 2011 the Company issued 300,000 common shares at $0.05 per share for proceeds of $15,000.

On May 15, 2011, companies controlled by the President and the Chief Executive Officer of the Company contributed $10,000 each as a capital contribution to the Company without being issued any additional common shares.

6. Commitments

(a) On May 20, 2011, the Company entered into an agreement with a company controlled by the President of the Company which will provide corporate services to the Company for $2,000 per month for a period of one year from the date the Company's shares are listed on the TSX-Venture Exchange. The agreement may be terminated by either party giving sixty days notice.

(b) On May 20, 2011, the Company entered into an agreement with a company controlled by the Chief Executive Officer of the Company which will provide corporate services to the Company for $2,000 per month for a period of one year from the date the Company's shares are listed on the TSX Venture Exchange. The agreement may be terminated by either party giving sixty days notice.

7. Subsequent event

(a) The Company is proposing to offer to the public, by prospectus, 1,667,000 flow-through common shares and 2,103,000 non flow-through common shares at $0.15 per share for gross proceeds of $565,500. The Agent will be paid a commission of 10% of the gross proceeds of the offering, a corporate finance fee of $25,000 ($10,000 is non-refundable), and reimbursement for out-of-pocket expenses including legal costs. The Agent will also be issued share purchase options equal to 10% of the number of common shares sold pursuant to this offering. The share purchase options will be exercisable at $0.15 per share for a period of three years from the closing date of this offering.

The Company received a receipt for its final prospectus on November 16, 2011.

(b) Subsequent to September 30, 2011, companies controlled by the President and the Chief Executive Officer of the Company contributed $20,250 each as a capital contribution to the Company without being issued any additional common shares.

(c) On October 31, 2011, the Company granted an aggregate of 1,000,000 stock options to its directors and officers. Each stock option has an exercise price of $0.15 per share and will expire five years from the date of grant.