

SIGNAL EXPLORATION INC.

MANAGEMENT DISCUSSION & ANALYSIS For the period ended September 30, 2011

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Signal Exploration Inc. (the "Company" or "Signal") constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended September 31, 2011. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2010, together with the notes thereto, and the unaudited interim financial statements for the nine ended September 30, 2011, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The audited annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The unaudited interim financial statements have been prepared in accordance with IFRS for interim financial reporting and, accordingly, do not include all of the information and notes required by IFRS for annual financial statements. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the interim periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at November 29, 2011, unless otherwise indicated.

Cautionary Note Regarding Forward-Looking Statements

Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward looking statements are usually identified by the use of certain terminology, including "will", "believes", "may", "expects", "should", "seeks", "anticipates" or "intends" or by discussions of strategy or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts, and include but are not limited to, estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model; future operations, products and services; the impact of regulatory initiatives on the Company's operations; the size of and opportunities related to the markets for the Company's products; general industry and macroeconomic growth rates; expectations related to possible joint and/or strategic ventures and statements regarding future performance. Forward-looking statements used in this discussion are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Forward looking statements in this document are not a prediction of future events or circumstances, and those future events or circumstances may not occur. Given these uncertainties, users of the information included herein, including investors and prospective investors are cautioned not to place undue reliance on such forward-looking statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

Over-all Performance

The Company was incorporated under the British Columbia Business Corporations Act of the Province of British Columbia on March 9, 2010. The Company is exploring its 100% owned Scotch Creek mineral property and has not yet determined the existence of economically recoverable reserves and does not have any source of revenue or operating assets. As of November 16, 2011 the Company was a reporting issuer in the provinces of British Columbia and Alberta. The Company's shares have been conditionally accepted for listing on the TSX Venture Exchange.

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.

Selected Annual Information

The Company was incorporated on March 9, 2010, and this is the third quarter of financial reporting for 2011 fiscal year.

Results of Operations

For the three months ended September 30, 2011, 2011, the Company reported net loss of \$18,060 (Three months ended September 30, 2010: \$ Nil). The increase in the three month period relates to the increase in fees associated with filing the Company's prospectus with the goal of completing the Company's initial public offering and listing on the TSX Venture Exchange.

For the nine months ended September 30, 2011, the Company reported net loss of \$51,974 (Period from inception on March 9, 2010 to September 30, 2010: \$ 450). The increase in the nine month period relates to the increase in fees associated with filing the Company's prospectus with the goal of completing the Company's initial public offering and listing on the TSX Venture Exchange.

Summary of Quarterly Results

Quarter ended	Revenue	Loss	Loss per share
March 31, 2010	\$ -	\$ (450)	(0.00)
June 30, 2010	-	(-)	(0.00)
September 30, 2010	-	(-)	(0.00)
December 30, 2010	-	(50,173)	(0.01)
March 31, 2011	-	(18)	(0.00)
June 30, 2011	-	(33,896)	(0.00)
September 30, 2011	-	(18,060)	(0.00)

Liquidity and Capital Resources

The Company has no operating revenue and therefore must utilize its current cash reserves and rely on external financing to generate capital to maintain its capacity to meet working capital requirements. As a result, the Company continues to incur net losses.

The Company reported a working capital of \$8,997 at September 30, 2011. As at September 30, 2011, the Company had net cash on hand of \$6,474. Current assets excluding cash at September 30, 2011 consisted of receivables totaling \$6,878. Current liabilities as at September 30, 2011 consist of amounts due to related parties of \$4,355.

The Company will continue to have capital requirements in excess of its currently available resources. The Company will be required to seek additional financing. There can be no assurance that the Company will be able to secure sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

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.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transactions with Related Parties

At September 30, 2011 the Company owed \$4,355 to directors of the Company. There were no transactions with related parties during the quarter ended September 30, 2011.

Fourth Quarter

Not applicable.

Proposed Transactions

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.

Critical Accounting Estimates

None.

Changes in Accounting Policies including Initial Adoption

The financial information presented in this MD&A has been prepared in accordance with IFRS. Our significant accounting policies are set out in Note 2 of the interim financial statements of the Company, as at and for the periods ended September 30, 2011.

Financial Instruments and Other Instruments

The carrying amounts of the Company's financial instruments consisting of cash, amounts receivable and amounts due to related parties approximate fair value because of the short-term maturity of these items.

Other Requirements

Summary of Outstanding Share Data as at November 29, 2011:

Authorized:	Unlimited number of common shares without par value.
Issued and outstanding:	6,580,000
Stock options:	1,000,000
Warrants:	Nil

Disclosure Controls and Procedures:

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as at September 30, 2011 as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer, have concluded that, as of September 30, 2011, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings) and other reports filed or submitted under Canadian securities laws is recorded,

processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for accurate disclosure to be made on a timely basis.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and Chief Financial Officer have also concluded that there has been no change in the Company's internal control over financial reporting during the three month period ended September 30, 2011 that has materially affected, or is reasonably likely to affect, the Company's internal control over financial reporting.

Additional information

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

"Barry Hartley"

Barry Hartley

Chief Financial Officer and Director

November 29, 2011