SIGNAL EXPLORATION INC.

Interim Financial Statements

March 31, 2013
(Unaudited)

(In Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

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.
Statement of Financial Position
(In Canadian Dollars)

	March 31, 2013	December 31, 2012
Assets		
Current assets		
Cash	$ 124,225	$ 162,087
Amounts receivable	35,010	32,556
Total current assets	159,235	194,643
Non-current assets		
Exploration and evaluation asset (Note 3)	336,599	335,038
Total assets	$ 495,834	$ 529,681
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 7,135	$ 22,080
Deferred income taxes	8,792	8,792
Total liabilities	15,927	30,872
Shareholders' equity		
Share capital (Note 5)	775,026	775,026
Share based payment reserve	112,407	112,407
Warrant reserve	35,424	35,424
Deficit	(442,950)	(424,048)
Total shareholders' equity	479,907	498,809
Total liabilities and shareholders' equity	$ 495,834	$ 529,681

Nature of operations and continuance of business (Note 1)

Approved on behalf of the Board:

/s/ "Barry Hartley"
Barry Hartley, Director

/s/ Brent Hahn
Brent Hahn, Director

SIGNAL EXPLORATION INC.
Statement of Comprehensive Loss
(In Canadian Dollars)

	Quarter ended March 31, 2013	Quarter ended March 31, 2012
Expenses		
General and administrative (Note 4)	$ 18,902	$ 15,890
Total expenses	18,902	15,890
Net and comprehensive loss	$ (18,902)	$ (15,890)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average shares outstanding	10,350,000	10,350,000

SIGNAL EXPLORATION INC.
Statement of Changes in Equity
(In Canadian Dollars)

	Share capital		Share based payment reserve	Warrant Reserve	Deficit	Total shareholders' equity
	Number	Amount				
Balance December 31, 2011	10,350,000	$ 775,026	$ 112,407	$ 35,424	$ (312,040)	$ 610,817
Net loss for the quarter	–	–	–	–	(15,890)	(15,890)
Balance, March 31, 2012	10,350,000	$ 775,026	$ 112,407	$ 35,424	$ (327,930)	$ 594,927
Balance December 31, 2012	10,350,000	$ 775,026	$ 112,407	$ 35,424	$ (424,048)	$ 498,809
Net loss for the quarter	–	–	–	–	(18,902)	(18,902)
Balance, March 31, 2013	10,350,000	$ 775,026	$ 112,407	$ 35,424	$ (442,950)	$ 479,907

SIGNAL EXPLORATION INC.
Statement of Cash Flows
(In Canadian Dollars)

	Quarter ended March 31, 2013	Quarter ended March 31, 2012
Cash provided by (used in):		
Operating activities		
Net loss for the period	$ (18,902)	$ (15,890)
Changes in non-cash working capital items:		
Amounts receivable	(2,454)	(1,598)
Accounts payable and accrued liabilities	(14,945)	(24,582)
Due to related parties	–	(44,675)
Net cash used in operating activities	(36,301)	(86,745)
Investing activities		
Mineral property expenditures	(1,561)	–
Net cash used in investing activities	(1,561)	–
Decrease in cash	(37,862)	(86,745)
Cash, beginning	162,087	516,350
Cash, ending	$ 124,225	$ 429,605

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. On December 28, 2011, the Company completed an Initial Public Offering (“IPO”) and its shares commenced trading on the TSX-Venture Exchange (TSX-V) on January 9, 2012.

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 March 31, 2013, 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 cash on hand, 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 year ended December 31, 2012. Accounting policies applied in the preparation of these unaudited interim financial statements are the same as those applied in the preparation of Company’s annual financial statements for the year ended December 31, 2012. The unaudited interim financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are stated at fair value.

New or amended accounting standards that have been issued by the IASB but are not yet effective, and have not been applied by the Company, are as outlined in Note 2 of the 2012 annual financial statements.

These unaudited interim financial statements were authorized for issue by the Board of Directors on May 28, 2013.

(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 deferred income tax asset valuation allowances.

3. Exploration and evaluation asset

Scotch Creek Property:

Acquisition costs:

Balance, March 31, 2013 and December 31, 2012	$	12,000
Exploration costs:		
Balance, December 31, 2011		323,038
Cost incurred quarter ended March 31, 2013		1,561
		324,599
Balance, March 31, 2012 and December 31, 2011	$	336,599

The Company has a 100% interest in the Scotch Creek Property located in British Columbia.

4. Related party transactions

During the quarter ended March 31, 2013 the Company incurred management fees of $12,000 (2012: $12,000) to two companies controlled by two directors of the Company.

5. Share capital

There were no changes to the Company's issued share capital, outstanding warrant and outstanding options during the quarter ended March 31, 2013.