

**SIGNAL EXPLORATION INC.**

Interim Financial Statements

September 30, 2015

(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.**

Interim Statements of Financial Position  
(Unaudited)  
(In Canadian Dollars)

	September 30, 2015	December 31, 2014
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 6,906	\$ 44,632
Amounts receivable	2,489	3,465
<b>Total current assets</b>	<b>9,395</b>	<b>48,097</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 3)	337,516	337,516
<b>Total assets</b>	<b>\$ 346,911</b>	<b>\$ 385,613</b>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,155	\$ 1,930
Amounts due to related parties (Note 4)	33,280	19,644
<b>Total liabilities</b>	<b>34,435</b>	<b>21,574</b>
<b>Shareholders' equity</b>		
Share capital (Note 5)	775,026	775,026
Share based payment reserve	147,831	147,831
Deficit	(610,381)	(558,818)
<b>Total shareholders' equity</b>	<b>312,476</b>	<b>364,039</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 346,911</b>	<b>\$ 385,613</b>

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

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

**SIGNAL EXPLORATION INC.**

Interim Statements of Net and Comprehensive Loss

(Unaudited)

(In Canadian Dollars)

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
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Expenses				
General and administrative (Note 4)	\$ 12,944	\$ 12,953	\$ 51,563	\$ 52,950
Total expenses	12,944	12,953	51,563	52,950
Net and comprehensive loss	\$ 12,944	\$ 12,953	\$ 51,563	\$ 52,950
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average shares outstanding	10,350,000	10,350,000	10,350,000	10,350,000

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

**SIGNAL EXPLORATION INC.**

Interim Statement of Changes in Equity

(Unaudited)

(In Canadian Dollars)

	Share capital		Share based payment reserve	Deficit	Total shareholders' equity
	Number	Amount			
Balance December 31, 2013	10,350,000	\$ 775,026	\$ 147,831	\$ (488,141)	\$ 434,716
Net and comprehensive loss	–	–	–	(52,950)	(52,950)
Balance, September 30, 2014	6,580,000	\$ 775,026	\$ 147,831	\$ (541,091)	\$ 381,766
Balance December 31, 2014	10,350,000	\$ 775,026	\$ 147,831	\$ (558,818)	\$ 364,039
Net and comprehensive loss	–	–	–	(51,563)	(51,563)
Balance, September 30, 2015	10,350,000	\$ 775,026	\$ 147,831	\$ (610,381)	\$ 312,476

**SIGNAL EXPLORATION INC.**

Interim Statements of Cash Flows

(Unaudited)

(In Canadian Dollars)

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
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Cash provided by (used in):		
Operating activities		
Net and comprehensive loss	\$ (51,563)	\$ (52,950)
Changes in non-cash working capital items:		
Amount receivable	976	4,916
Accounts payable and accrued liabilities	(775)	299
Due to related parties	13,636	6,322
Net cash used in operating activities	(37,726)	(41,413)
Decrease in cash	(37,726)	(41,413)
Cash, beginning	44,632	97,425
Cash, ending	\$ 6,906	\$ 56,012

## **SIGNAL EXPLORATION INC.**

Notes to the Interim Financial Statements

September 30, 2015

(Unaudited)

(In Canadian Dollars)

### 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. The Company's shares are listed on the NEX board of the TSX-Venture Exchange.

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, 2015, 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, 2014. 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, 2014. 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 2014 annual financial statements.

These unaudited interim financial statements were authorized for issue by the Board of Directors on November 12, 2015.

#### (b) Use of estimates and judgments

The preparation of the Company's financial statements in conformity with International Financial Reporting Standards 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 allowance.

## **SIGNAL EXPLORATION INC.**

Notes to the Interim Financial Statements

September 30, 2015

(Unaudited)

(In Canadian Dollars)

### 3. Exploration and evaluation assets

Scotch Creek Property, British Columbia:

*Acquisition costs:*

Balance, September 30, 2015 and December 31, 2014	\$ 12,000
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*Exploration costs:*

Balance, September 30, 2015 and December 31, 2014	365,516
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Balance, September 30, 2015	\$ 377,516
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The Company has a 100% interest in the Scotch Creek Property.

### 4. Related party transactions

During the period ending September 30, 2015 the Company incurred management fees of \$36,000 (2014: \$36,000) to companies controlled by directors of the Company. At September 30, 2015 \$33,280 (December 31, 2014 \$19,644) was due to companies controlled by directors of the Company. These amounts are unsecured, non interest bearing and due on demand.

### 5. Share capital

There were no changes to the Company's issued share capital, outstanding warrant and outstanding options during the period ending September 30, 2015.