

SIGNAL EXPLORATION INC.

Interim Financial Statements

March 31, 2016
(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, 2016	December 31, 2015
Assets		
Current assets		
Cash	\$ 264	\$ 3,117
Amounts receivable	3,519	3,220
Total current assets	3,783	6,337
Non-current assets		
Exploration and evaluation asset (Note 3)	337,516	337,516
Total assets	\$ 341,299	\$ 343,853
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 981	\$ –
Due to related parties (Note 4)	48,550	45,880
Total liabilities	49,531	45,880
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	(631,089)	(624,884)
Total shareholders' equity	291,768	297,973
Total liabilities and shareholders' equity	\$ 341,299	\$ 343,853

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, 2016	Quarter ended March 31, 2015
Expenses		
General and administrative (Note 4)	\$ 6,205	\$ 18,532
Total expenses	6,205	18,532
Net and comprehensive loss	\$ (6,205)	\$ (18,532)
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, 2014	10,350,000	\$ 775,026	\$ 112,407	\$ 35,424	\$ (558,818)	\$ 364,039
Net loss for the quarter	–	–	–	–	(18,532)	(18,532)
Balance, March 31, 2015	10,350,000	\$ 775,026	\$ 112,407	\$ 35,424	\$ (577,350)	\$ 345,507
Balance December 31, 2015	10,350,000	\$ 775,026	\$ 112,407	\$ 35,424	\$ (624,884)	\$ 297,973
Net loss for the quarter	–	–	–	–	(6,205)	(6,205)
Balance, March 31, 2015	10,350,000	\$ 775,026	\$ 112,407	\$ 35,424	\$ (631,089)	\$ 291,768

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

	Quarter ended March 31, 2016	Quarter ended March 31, 2015
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Cash provided by (used in):		
Operating activities		
Net loss for the quarter	\$ (6,205)	\$ (18,532)
Changes in non-cash working capital items:		
Amounts receivable	(299)	(2,362)
Accounts payable and accrued liabilities	981	5,530
Due to related parties	2,670	(19,594)
Net cash used in operating activities	(2,853)	(34,958)
Decrease in cash	(2,853)	(34,958)
Cash, beginning	3,117	44,632
Cash, ending	\$ 264	\$ 9,674

SIGNAL EXPLORATION INC.

Notes to the Interim Financial Statements

March 31, 2016

(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 March 31, 2016, 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, 2015. 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, 2015. 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 2015 annual financial statements.

These unaudited interim financial statements were authorized for issue by the Board of Directors on May 25, 2016.

(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, 2016 and December 31, 2015	\$ 12,000
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Exploration costs:

Balance, March 31, 2016 and December 31, 2015	325,516
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Balance, March 31, 2016 and December 31, 2015	\$ 337,516
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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, 2016 the Company incurred management fees of \$Nil (2015: \$12,000) to companies controlled by directors of the Company. At March 31, 2016 \$48,550 (December 31, 2014 \$45,880) was due to companies controlled by 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, 2016.