



**COPPER LAKE**  
RESOURCES LTD

**Management's Discussion and Analysis**

**Three and Nine Months Ended July 31, 2021**

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# **COPPER LAKE RESOURCES LTD.**

## **Management's Discussion and Analysis**

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### **MANAGEMENT'S DISCUSSION AND ANALYSIS THREE AND NINE MONTHS ENDED JULY 31, 2021**

*The following Management Discussion and Analysis ("MD&A") of the financial condition and results of operations of Copper Lake Resources Ltd. ("Copper Lake" or the "Company") was prepared by management as at September 29, 2021 and was reviewed and approved by the Board of Directors. The following discussion of performance, financial condition and future prospects should be read in conjunction with the condensed financial statements for the three and nine months ended July 31, 2021 and the audited annual financial statements of Copper Lake Resources Ltd. and notes thereto for the year ended October 31, 2020. The information provided herein supplements but does not form part of the financial statements. All amounts are stated in Canadian dollars unless otherwise indicated. Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).*

### **CAUTION REGARDING FORWARD LOOKING STATEMENTS**

*This report includes certain statements that may be deemed "forward looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, that address such matters as future exploration, drilling, exploration activities, potential mineralization and resources and events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties and other factors of which are beyond the reasonable control of the Company. Such statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward looking statements and information contained herein, the Company has made numerous assumptions, including among other things, assumptions about the price and future prices of ores and/or mineralization that are being explored for by the Company, anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information. These factors include but are not limited to such matters as market prices, exploitation and exploration results, continued availability of capital and financing, and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

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### **COMPANY OVERVIEW AND GOING CONCERN**

Copper Lake is engaged in the exploration, evaluation and development of mineral properties in Canada. The Company's primary focus is the continued exploration and development of its properties in Ontario, the Marshall Lake property, the Norton Lake property and the Centrefire Redhat property. The registered address of the Company is 1 King Street West, Suite 4800, Toronto, Ontario M5H 1A1. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol "CPL". The Company also trades on the Frankfurt Exchange under the symbol "W0I", and on the OTC under the symbol "WTCZF".

The Company's properties are located in Canada where the legal and economic frameworks are favorable to the mining industry.

The Company has no source of revenue and finances its operations through the sale of equity or the issuance of debt. The value of any mineral property is dependent upon the existence or potential existence of economically recoverable mineral reserves.

The Company has a NI 43-101 compliant resource estimate on its Norton Lake property and has historical resources estimates (not NI 43-101 compliant) on the Marshall Lake property.

Despite the current market uncertainty and volatility, the longer-term fundamentals and outlook for copper, zinc, silver, nickel, cobalt and palladium demand remain positive. The demand for copper is forecasted to increase, driven by population growth, emerging economies, green initiatives and infrastructure requirements. If the copper demand materializes as forecasted and the structural issues facing the copper industry have not been resolved, the long-term sustainable copper supply could be materially impacted. The absence of new large copper discoveries, despite increased exploration expenditures, combined with the historically low number of copper projects in the exploration and development pipeline, foreshadows an impending significant supply deficit within the copper industry.

### **RECENT DEVELOPMENTS**

- On September 28, 2021, the Company announced that it had signed a contract to conduct a minimum 3,000 metre diamond drill program on its Marshall Lake copper-zinc-silver volcanogenic massive sulphide property in northern Ontario. The drilling is expected to commence in the first half of October 2021, and will take six to eight weeks to complete.
- On September 16, 2021, the Company announced that it had exercised its option to acquire a 75% undivided interest in the Marshall Lake Joint Venture Agreement ("JV Agreement"). Rainy Mountain retains the remaining 25% interest. Each party will be responsible for funding its proportionate share of expenditures of the JV Project. Should Rainy Mountain choose not to contribute its pro rata share, then its interest in the JV would be diluted. Once Rainy Mountain's interest is reduced to 10%, it is automatically converted into a 1% Net Smelter Returns Royalty ("NSR"). Copper Lake would have the right to acquire the NSR at any time for CAD 1 million.
- On May 17, 2021 the Company announced that it closed the second, and final, tranche of the non-brokered private placement described in its news release of March 4, 2021. Under the final tranche closing of the Offering, the Company issued 100,000 flow-through units ("FT Units") at a price of \$0.065 per FT Unit and 7,455,000 non flow-through units ("NFT Units") at a price of \$0.05 per NFT Unit for gross proceeds of \$379,250. Each FT Unit consists of one flow-through common share and one-half of a common share purchase warrant (a "FT Warrant"), with each Warrant being exercisable at \$0.10 for 24 months. Each NFT Unit consists of one common share and one Warrant, with each Warrant being exercisable at \$0.10 for 24 months.

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- In April 2021, the Company closed the first tranche of a private placement, raising \$1,006,775 through the issuance of 6,585,000 flow-through units ("FT Units") at a price of \$0.065 per FT Unit and 11,575,000 non flow-through units ("NFT Units") at a price of \$0.05 per NFT Unit. Each FT unit consists of one flow-through common share and one-half of a common share purchase warrant, with each whole warrant being exercisable at \$0.10 for two years from the date of issuance. Each NFT Unit consists of one common share and one common share purchase warrant, with each warrant being exercisable at \$0.10 for two years from the date of issuance.
- On March 4, 2021 the Company announced that, subject to regulatory approval, the Company intends to complete a non-brokered private placement (the "Offering") for aggregate gross proceeds of up to \$2,000,000. The Offering will be comprised of up to 23,076,924 Flow-Through Units ("FT Units") at a price of \$0.065 per FT Unit and 10,000,000 Non Flow-Through Units ("NFT Units") at a price of \$0.05 per Unit. Each FT Unit will consist of one flow-through common share and one-half of one common share purchase warrant (a "FT Warrant"), with each full FT Warrant being exercisable at \$0.10 for two years. Each NFT Unit will consist of one non flow-through common share and one full common share purchase warrant (a "Warrant"), with each Warrant being exercisable at \$0.10 for two years. The Offering is subject to TSXV final acceptance.
- On February 16, 2021, the Company announced the appointment of Donald Hoy, M.Sc., P. Geo., as Vice President Exploration. Don Hoy brings over 30 years of experience, acting in both technical and senior management capacities, for junior and major mining companies. Recently, he served as President of Wolfden Resources Corporation and prior to that, as Vice President Exploration and Development for Cliffs Natural Resources Inc. as well as Freewest Resources Canada Inc. During his tenure with Freewest, he was a recipient of the Prospectors and Developers Association of Canada 2009 Bill Dennis Award, as 1 of 5 persons credited with the 'Ring of Fire' discoveries in northern Ontario. Mr. Hoy holds a B.Sc. degree from the University of Western Ontario and an M.Sc. degree (Mineral Exploration) from Queen's University.
- On January 27, 2021 the Company announced the results of the fall drill program. The Company continues to intersect significant copper, zinc and silver VMS mineralization at Marshall Lake. Highlight intercepts include 1.46% Cu, 0.43% Zn and 175.2 g/t Ag over 1.2 metres, including 6.3% Cu, 1.81% Zn and 770 g/t Ag over 0.4 metres in MAR-20-03.

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### MINERAL PROPERTY INTERESTS

#### Realization of assets

The investment in and expenditures on mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

#### Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of the exploration and development on an exploration and evaluation assets, the potential for production on the property may be diminished or negated.

#### Title to mineral property assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing. However, such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

The Company has entered into agreements to acquire, explore and develop certain exploration and evaluation assets located in certain regions of Canada. Several aboriginal groups are claiming inextinguishable aboriginal title to the lands and resources in various regions of Canada, which may include one or more of the mineral claims beneficially owned by the Company. The extent to which any successful aboriginal claim would materially affect the ability of the Company to exploit its exploration and evaluation assets is not determinable at this time.

#### Exploration and Evaluation Expenses

Amounts invested in mineral property assets and capitalized in accordance with the Company's accounting policy on exploration and evaluation expenses are as follows:

	Marshall Lake	Norton Lake	Centrefire Redhat	Total
Balance, October 31, 2020 and July 31, 2021	\$ 2,548,862	-	\$ 16,500	\$ 2,565,362

Acquisition costs for the Norton Lake property in the amount of \$400,000 were impaired during the year ended October 31, 2015.

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Details of the Company's exploration and evaluation expenditures which have been cumulatively expensed in the statement of loss and comprehensive loss are as follows:

#### For the nine months ended July 31, 2021

	Marshall Lake Property	Norton Lake Property	Centrefire Redhat Property	Total
Assays	19,592	-	-	19,592
Core shack and logging	8,309	-	-	8,309
Equipment rental	6,750	-	-	6,750
Exploration office	8,002	-	-	8,002
Field exploration camp	58,383	-	-	58,383
Geotechnical and geological	215,193	2,875	-	218,068
Maps and permits	16,666	160	-	16,826
Reports	7,000	-	-	7,000
Storage	4,050	-	-	4,050
<b>Expenditures for the period</b>	<b>343,945</b>	<b>3,035</b>	<b>-</b>	<b>346,980</b>
Cumulative balance - October 31, 2020	4,305,478	840,784	-	5,146,262
<b>Balance, July 31, 2021</b>	<b>\$ 4,649,423</b>	<b>\$ 843,819</b>	<b>-</b>	<b>5,493,242</b>

#### For the year ended October 31, 2020

	Marshall Lake Property	Norton Lake Property	Centrefire Redhat Property	Total
Advance royalty payments	12,500	-	-	12,500
Claims acquisitions and management	9,212	-	-	9,212
Drilling	155,117	-	-	155,117
Equipment rental	8,560	-	-	8,560
Geological and geophysical	19,164	-	-	19,164
Geotechnical	32,170	-	-	32,170
Property taxes and lease rent	3,919	-	-	3,919
Roads and access	20,720	-	-	20,720
Storage	2,925	-	-	2,925
Travel	1,050	-	-	1,050
<b>Expenditures for the year</b>	<b>265,337</b>	<b>-</b>	<b>-</b>	<b>265,337</b>
Cumulative balance, October 31, 2019	4,040,141	840,784	-	4,880,925
<b>Balance, October 31, 2020</b>	<b>\$ 4,305,478</b>	<b>\$ 840,784</b>	<b>-</b>	<b>\$ 5,146,262</b>

The cumulative balance for the Marshall Lake Property is net of cumulative JEAP grants of in the amount of \$172,642 received in previous years.

A summary of the Company's current exploration programs is set out below, however, for additional information and details regarding such matters, reference is made to the Company's news releases and related filings that can be viewed on [www.sedar.com](http://www.sedar.com).

The technical information regarding the Company's currently active projects referred to herein has been reviewed and approved by Donald Hoy, M.Sc., P. Geo., who is acting as the Company's Qualified Person in accordance with regulations under NI 43-101.

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### Mineral Properties

#### Norton Lake Property

The Company entered into a Joint-Venture Assignment Agreement dated on January 21, 2009 with Cascadia International Resources Inc. of Calgary, Alberta ("Cascadia"), pursuant to which Cascadia assigned its 51% joint-venture interest in the Norton Lake Property to the Company, for the sum of \$300,000. The other joint venture partners were Rainy Mountain Royalty Corp. ("Rainy Mountain") of West Vancouver, British Columbia and White Metals Resources Corp. ("White Metals") of Toronto, Ontario. The Property is located 450 km north-east of Thunder Bay, Ontario on the south margin of the "Ring of Fire" exploration region and consists of 32 claims covering approximately 8,800 hectares. Since 2001, over \$3 million has been spent on the Property, including the completion of 44 core holes. The Norton Lake Project consists of two properties, namely, the Norton West Property (the principal property) and the Norton East Property. Joint-venture expenditures are being recorded by each joint-venture partner on a cash basis and as a result of the programs completed by the Company on the Norton West Property, the Company had a 57.60% interest in the Norton West Property (with Rainy Mountain having a 32.60% interest and White Metals having a 9.80% interest) and a 51% interest in the Norton East Property (with Rainy Mountain having a 9.8% interest and White Metals having a 39.2% interest). By agreement dated February 21, 2012, the Company, Rainy Mountain and White Metals combined and consolidated their respective interests in the Norton West and Norton East Properties, and as a result, the Company had a 60.70% interest in the combined Properties (with Rainy Mountain having a 30.21% interest and White Metals having a 9.09% interest). On June 29, 2015, the Company announced that it had acquired the 9.09% interest held by White Metals, thus increasing its interest in the property to 69.79%. Acquisition costs related to the property totaling \$400,000 were written down to nil in 2015, as the Company had not incurred any expenditures on the property in 2014 or 2015 and had no plans at that time to incur further expenditures in the next 12 months. During the year ended October 31, 2018, the Company performed certain work at the two camps on the property and incurred expenses in the amount of \$20,920. As Rainy Mountain did not contribute their portion of the costs, the Company's interest in the property increased to 71.41%. The Company did not perform any work on the property during 2019 and 2020.

The Norton Lake Property is located within the Miminiska-Fort Hope Greenstone Belt of the Uchi Sub province. The principal target area on the Property is the magmatic Ni-Cu-Co-Pd sulphide deposit referred to as the Norton Lake Nickel-Copper-Cobalt Deposit or Norton Zone. Although the Norton Zone is not exposed at surface, it is generally well defined by diamond drilling and geophysical surveys. Sulphide mineralization is hosted within a sheared amphibolite unit located between an upper basalt and a lower sedimentary unit. The Norton Zone is brecciated with the breccia primarily consisting of mafic, ultramafic, and gabbroic fragments in a deformed, sulphide-bearing matrix. The sulphide mineralization is dominated by semi-massive to massive pyrrhotite and subordinate pentlandite in irregular stringers, veins and patches of the rock; chalcopyrite is erratically distributed in grains, patches and seams. Pentlandite and violarite are the primary nickel-bearing minerals and localized sphalerite and arsenopyrite also occur.

An Independent Mineral Resource Estimate was completed on the Norton Lake Ni-Cu-Co Deposit in 2005 and reported by Caracle Creek International Consulting ("CCIC") in 2009. The Mineral Resource meets the current CIM Definition Standards and is compliant with NI 43-101.

#### Norton Lake Deposit Mineral Resource Estimate: reported at 0.3% Ni cut-off (CCIC, 2009)

Category	Tonnes	Ni Grade (%)	Cu Grade (%)	Co Grade (%)	Pd Grade (g/t)
Measured	1,769,721	0.67	0.61	0.03	0.46
Indicated	488,933	0.67	0.61	0.03	0.47
<b>Total</b>	<b>2,258,654</b>	<b>0.67</b>	<b>0.61</b>	<b>0.03</b>	<b>0.46</b>
Inferred	198,571	0.66	0.59	0.03	0.47

#### Current status:

During the reporting period, the status of the project has not changed. A review of the data is currently ongoing to identify exploration opportunities for future near-term work.

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### **Marshall Lake Property**

The Company entered into an option agreement dated July 6, 2010 with Rainy Mountain Royalty Corp. of West Vancouver, BC, ("Rainy Mountain") and Marshall Lake Mining Limited ("MLMP") of London England, whereby the Company was granted an option to acquire up to a 50% joint-venture interest in certain mining claims that comprise the Marshall Lake Property, located approximately 250 km north-northeast of Thunder Bay, Ontario. The property consists of 43 mineral claims (539 claim units) with an area of 8,864 ha and 89 mining leases with an area of 1,566.17 ha, for a total land position of 10,430.17 ha. Under the option agreement, the Company was required to incur \$4,000,000 in expenditures on the property over five years and issue 2,000,000 shares over a four-year period (400,000 issued in fiscal 2010 at a value of \$88,000; 400,000 issued in fiscal 2011 at a value of \$104,000; 400,000 issued in fiscal 2012 at a value of \$60,000; 400,000 issued in fiscal 2013 at a value of \$20,000 and 400,000 issued in fiscal 2014 at a value of \$24,000). The Company will earn a 12.5% joint venture interest in the Marshall Lake Property for every \$1,000,000 in expenditures incurred and for every 400,000 shares issued (except for the initial 12.5% interest whereby the Company was required to issue 800,000 shares to Rainy Mountain). Additionally, once the Company has completed its share issuance and spending requirements, it has the additional option to increase its joint-venture interest to 75%, by incurring such additional property expenditures as are necessary to take the Marshall Lake Property to bankable feasibility stage. As of October 31, 2015, the Company had earned a 37.5% joint venture interest in the Marshall Lake Project.

On September 29, 2016, Copper Lake closed the transaction to acquire the 31.25% interest in the Marshall Lake property held by MLMP. The agreement to acquire the interest was previously announced on May 5, 2016. The transaction was approved by shareholders on July 26, 2016 and received approval from the TSX Venture Exchange on September 22, 2016. This acquisition gave Copper Lake a 68.75% interest in the Marshall Lake property.

Consideration for the acquisition consisted of issuing 34,422,938 common shares and a principal amount of \$350,000 of 12% five-year unsecured subordinated convertible debentures, subject to customary closing adjustments. The debentures are convertible into units, comprised of one share and one warrant, at \$0.055 per unit for the first year and \$0.10 per unit thereafter. The warrants will have an exercise price equal to the conversion rate of the units when issued. The total consideration was valued at \$2,243,262.

As at July 31, 2018 the Company had fulfilled the expenditure requirements and has a 75% interest in the property.

During the quarter ended July 31, 2021, the Company exercised its option to acquire a 75% undivided interest in the Marshall Lake Joint Venture Agreement ("JV Agreement"). Rainy Mountain retains the remaining 25% interest. Each party will be responsible for funding its proportionate share of expenditures of the JV Project. Should Rainy Mountain choose not to contribute its pro rata share, then its interest in the JV would be diluted. Once Rainy Mountain's interest is reduced to 10%, it is automatically converted into a 1% Net Smelter Returns Royalty ("NSR"). Copper Lake would have the right to acquire the NSR at any time for CAD 1 million.

The Marshall Lake property is located in the eastern portion of the Wabigoon Sub province and is underlain by rocks of the Marshall assemblage, which may represent a continental margin sequence built on the Mesoarchean Winnipeg River terrane. The Marshall assemblage is composed of a thick sequence of calc-alkalic dacite lavas and pyroclastic deposits, that wrap around the synvolcanic Summit pluton. The Marshall Lake property has been explored since the 1954 discovery of Cu-Zn mineralization at the Teck Hill occurrence, south of Gripp Lake. Numerous occurrences of base metal mineralization are present in the Marshall Lake area, described as strata-bound Cu-Zn-Ag-Pb sulphides hosted in an intermediate to felsic volcanoclastic, thus the classification of the mineralization as a volcanogenic massive sulphide system. The most prominent occurrences are sulphide disseminations in metamorphic garnetiferous-amphibolite lenses, as observed at the Teck and Billiton showings where the Marshall Mineralized Band has been mapped. Some 487 historical and generally shallow drill holes have been located in the area testing the numerous mineralized outcrops.

Since July 2010, the Company, as optionee and operator, has drilled and completed 37 core drill holes (totaling over 7,000 metres). Additionally, the Company has conducted prospecting and sampling on the property as well as

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ground IP (induced polarization) and geological mapping of specific areas of interest. No 43-101 compatible mineral resource estimate exists for the Marshall Lake property.

Thomas R. Hart, P.Geo., acted as the Company's Qualified Person in accordance with regulations under NI 43-101 for the compilation of the latest 43-101 Technical Report for the Marshall Lake Project.

### *Current Status*

Well over 112 known occurrences of base-metal mineralization outcrop over an extensive area across the Property. A systematic review and compilation of historical data at Marshall Lake currently ongoing, identified high-priority targets characterized by high base-metal and precious-metal grades that warrant immediate follow-up work. These are as follows.

### *Billiton Zone*

The Main Billiton Zone contains a historical resource of **2.2 million tonnes at a grade of 1.3% copper, 4.2% zinc and 2.5 oz/t silver<sup>1</sup>**. It comprises a minimum of 5 stacked lenses of heavily disseminated to massive sulphides, traced by drilling over a 600-metre strike length and to a maximum depth of 150 metres below surface. Highlights from historical drilling include the following high-grade intercepts:

- 3.0% Cu, 11.0% Zn & 219.7 g/t Ag, **7.9% CuEq<sup>2</sup>** (GGM-78-230)
- 2.3% Cu, 9.8% Zn & 124.4 g/t Ag, **6.1% CuEq<sup>2</sup>**(NWT-68-83)
- 1.8% Cu, 9.4% Zn & 164.2 g/t Ag, **5.8% CuEq<sup>2</sup>** (ML-82-07)

<sup>1</sup>Historical Resources are conceptual in nature and do not comprise Mineral Resources. Insufficient work has been done in defining Historical Resources and it is uncertain if further work will result in Historical Resources being converted to Mineral Resources

<sup>2</sup>Copper Equivalent (CuEq) is based on prices of \$4.00/lb for copper, \$1.20/lb for zinc & \$20/oz for silver

The Main Billiton Zone is hosted in the 'Marshall Mineralized Band', an altered and mineralized sequence of chemical sediments interbedded with massive felsic volcanic rock. Alteration zones associated with the sulphide mineralization, contain biotite, garnet and actinolite.

Growing geological evidence suggests that all of the nearby North Diabase, Adnarod, Swamp and South Billiton occurrences, are hosted within the same folded rock sequence as the Main Billiton Zone; i.e. within the Marshall Mineralized Band.

The **North Diabase** occurrence has yielded zinc values as high as 5.4% in drilling, while the **Adnarod, Swamp** and **South Billiton** occurrences yielded historical drill intercepts of **2.2% Cu, 3.0% Zn & 242.0 g/t Ag over 5.1 metres, 0.31% Cu, 5.4% Zn over 1.8 metres and 1.7% Cu, 9.7% Zn over 1.5 metres**, respectively. The high-grade copper assays obtained in the **North Copper Zone (4.0% Cu over 0.7 metres, 3.4% Cu over 2.0 metres)** are interpreted to be stringer copper intercepts situated in the footwall below the Marshall Mineralized Band.

### *Billiton Zone MT/DCIP Survey*

SJ Geophysics, of Delta BC, completed an integrated MT/DCIP survey over the Billiton deposit area in mid-July 2021. The goal of the survey was to assist in mapping and defining additional base metal drill targets within the Marshall Mineralized Band, a unit containing the Billiton Zn-Cu-Ag VMS deposit (**historic resource of 2.2 MT at 1.3% copper, 4.2% zinc & 2.5 opt Ag<sup>1</sup>**).

The MT/DCIP survey measures chargeability and resistivity, important parameters given their sensitivity to base metal sulphide minerals (disseminated to massive) and hydrothermal alteration. MT technology generates models of the subsurface resistivity in 2D & 3D at shallow depth and to depths of up to 1 km, while DCIP, yields models of subsurface chargeability and resistivity to depths of 500 metres. SJ Geophysics recently delivered preliminary results from the deep IP survey to the Company, and these MT survey results are still under review.

At a shallow depth of 75 metres below surface, the Billiton deposit is well reflected by a significant IP anomaly, comprising a coincident chargeability high (red to magenta colours) and resistivity low. This result would be

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expected given the presence of significant heavily disseminated to massive sulphide contained within the known deposit. In addition to the Billiton deposit, several other nearby IP anomalies warrant attention.

At a deeper level of 350 metres below surface, a strong IP anomaly consisting of a coincident chargeability high and resistivity low (similar signature to Billiton), is situated to the SSE of the Billiton deposit. The deep IP anomaly also persists to a vertical depth of 500 metres, the maximum depth of penetration for the IP survey.

Of particular encouragement, is the fact that the deeper anomaly is much larger in size in comparison to the anomaly reflecting the Billiton deposit. Additionally, the deeper target is not contained within the Marshall Mineralized Band, rather in a younger unit, overlying the Marshall Mineralized Band. This raises the possibility of discovering additional base-metal mineralization in more than one horizon within the volcanic pile, a positive feature observed in several base-metal producing VMS camps globally.

Drilling is anticipated to commence in October of 2021 testing this high-quality target.

### ***Deeds Island Target***

Compilation of historical data has generated a highly prospective target located 6 km to the east of the Main Billiton Zone area, in an area of the Property that has seen minimal exploration and drilling. The Deeds Island target occurs higher in the rock sequence relative to the Main Billiton Zone, where most of the historical work was completed. Of note, many base metal producing districts contain stacked horizons or multiple rock sequences hosting massive sulphide deposits, including the Rouyn-Noranda and Mattagami districts in Quebec.

The Deeds Island target comprises an 800-metre long geochemical anomaly yielding up to 1000 ppm zinc in rock chip sampling. The zinc anomaly is coincident and underlain by a widespread zone of intense garnet-actinolite alteration (iron enrichment) within felsic tuff breccias. Garnet-actinolite is an alteration assemblage closely associated with copper-zinc-silver mineralization in the Main Billiton Zone. The zinc anomaly and garnet-actinolite alteration zone occur immediately below the Deeds Island Tuff. Massive sulphide deposits commonly form below such exhalative or tuff caps, in underlying rocks that are characterized by higher permeability (tuff breccias) and by higher temperatures (garnet-actinolite alteration and zinc mineralization).

Two airborne VTEM conductors (ML\_VTEM\_020-01 & ML\_VTEM\_021-01) also occur within the Deeds Island Tuff, adding further attraction to the target area.

A ground electromagnetic (EM) survey will be completed this winter to better locate and define the airborne EM conductors. The geophysical surveys will be followed-up by a series of diamond drill holes, collectively testing the conductors, the zinc anomaly and the garnet-actinolite alteration zone for the presence of massive sulphides.

### ***Gazooma North and RM Zones***

Collectively, the Gazooma North and RM Zones have been tested by diamond drilling over a minimum 300-metre strike length and may comprise the same mineralized zone. Drilling has largely been completed at shallow depths, almost all within 150 metres of surface; the deepest hole was completed on the RM Zone to a depth of 460 metres (at a shallow dip of -45 degrees).

Mineralization occurs as stringers, heavy disseminations and narrow bands of semi-massive chalcopyrite, hosted within a high-silica or silica-altered, dacitic volcanoclastic rock unit.

The style of copper mineralization and alteration at Gazooma and RMZ is commonly described as stringer or stock-work-type. Accordingly, potential exists for the discovery of massive sulphides at this locale, associated with the stringer-type mineralization. Models for volcanic-hosted massive sulphide deposits invoke an underlying or flanking zone of stringer, stock-work mineralization, largely copper-rich, that feed or lead to overlying or adjacent Cu-Zn-Ag-Au bearing massive sulphide lenses.

Shallow IP anomalies appear to correlate with the copper mineralization obtained in drilling, but only yield data to a depth of approximately 100 metres below surface (very shallow). A large-loop TDEM survey is warranted at Gazooma North and RMZ to test for the presence of massive sulphides at depth and to expand on the limits of very

# **COPPER LAKE RESOURCES LTD.**

## **Management's Discussion and Analysis**

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significant stringer-stock-work copper mineralization present at this locale. This survey will be undertaken following the completion of the recommended deep EM and IP work, slated for the Billiton zone.

### ***VTEM Anomalies***

A property-wide Versatile Time Domain Electromagnetic (VTEM) survey was flown at Marshall Lake in 2007 to assist targeting in exploring for volcanic-hosted massive sulphide deposits. Modelling completed by contractors delineated a total of 31 anomalies (conductors), a few of which have been followed-up by diamond drilling.

Two strong untested conductors occur stratigraphically above the Billiton zone on the eastern portion of the property on recently staked claims that are wholly-owned by the Company. These conductors are underlain by vent-facies, volcanic auto-breccias, characterized by pervasive iron enrichment with strong garnet-actinolite-magnetite-pyrrhotite alteration. These new target areas may represent a repetition of the stratigraphy hosting the Billiton deposit through structural imbrication or alternatively, may mark the location of an additional time horizon hosting base-metal mineralization. Ground EM surveys will be completed on these targets to more accurately define the conductors, prior to diamond drilling.

A re-assessment of the EM conductors yielded by the survey will be undertaken, supplemented by additional output products from such data, to assist in the ongoing goal of generating additional high-quality exploration targets on the Property.

### ***Continuing Data Compilation***

The review and compilation of the current and historical data should continue with the integration and interpretation of drilling, geological, geophysical and geochemical data sets. In particular, 3D modelling of all mineralized zones should be completed and merged with the above data, to gain a better understanding of controls on base and precious-metal mineralization and to generate additional targets for continuing exploration.

### **Other Marshall Lake Properties**

In the summer of 2018, the Company staked additional property at Marshall Lake to expand the Company's interests with a focus on creating a regional play. The new claims are known as the Sollas Lake Property and the Summit Lake Property and are both 100% owned by the Company and not subject to any royalties or encumbrances.

- **Sollas Lake Property**

The Sollas Lake property consists of 20 claim cells comprising an area of 4 square km on the east side of the Marshall Lake property where the VTEM geophysical survey outlined strong conductors, hosted within the same favorable felsic volcanic units.

- **Summit Lake Property**

The Summit Lake Property was staked based on recommendations arising from the reinterpretation of geological and geophysical data completed in late 2016. The Summit Lake Property currently consists of 100 claim cells comprising an area of 20.5 square km, is accessible year-round, and is located immediately west of the Marshall Lake Property.

### **Centrefire Redhat Gold-Copper Property**

The Centrefire Redhat Property is located 40km NE of Dryden and occurs within mafic rocks originally targeted for copper mineralization by Phelps Dodge, who drilled up to 15.2m @ 0.39% Cu. Prospecting of pyrite zones associated with massive magnetite beds can be traced for several kilometres at Redhat and to the Centrefire prospect located 4km away. Follow-up drilling in one hole by Abitibi Mining in 2011 of a new zone at Redhat (that returned trench channel sample results of 18m @ 1.1g/t Au) returned 1.2m @ 9.17 g/t Au and 1.5m @ 3.36 g/t Au. Grab sampling at the Centrefire zone returned grab assays from outcrop of up to 23.00 g/t Au, which has not been followed up.

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## Management's Discussion and Analysis

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### SELECTED ANNUAL INFORMATION

Comparative information for annual periods from October 31, 2020 and 2019 has been presented in accordance with IFRS.

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	2020	2019
Revenues	\$ -	\$ -
Exploration and evaluation expenditures	265,337	49,707
Share-based compensation	46,550	10,930
Other operating expenses	134,644	131,287
Write-off acquisition costs related to expired claims	49,500	-
Flow-through share premium recovery	(49,000)	-
Net loss	(447,031)	(191,924)
Basic and diluted loss per share	(0.003)	(0.002)
Total assets	2,609,240	2,660,541

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### Results of Operations

The following discussion addresses the operating results and financial condition of the Company for the year ended October 31, 2020 compared with the year ended October 31, 2019. The MD&A should be read in conjunction with the Company's audited financial statements and the accompanying notes for the year ended October 31, 2020.

### Results of operations for the year ended October 31, 2020 as compared to the year ended October 31, 2019

The Company reported a net loss from operations for the year ended October 31, 2020 of \$447,031 compared to a net loss of \$191,924 for the prior year for a change of \$255,107. The loss from operations in the current year increased largely due to an increase of \$215,630 in the exploration and evaluation expenses incurred on the Company's properties during the year. There was also an increase in share-based compensation expense in the amount of \$35,620, which is a non-cash expense as was the write-off of expired claims. Other operating expenses increased during the year by \$45,252, largely due to regulatory filings which increased by \$20,662 due to increased financing activity and TSX fees.

Results of operations will vary from year to year depending on the level of exploration and evaluation work being performed, the extent of financing activities being undertaken, and whether or not options have been granted in the period.

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## **Management's Discussion and Analysis**

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### **LIQUIDITY AND CAPITAL RESOURCES**

The Company's mineral exploration activities have been funded to date primarily through the issuance of common shares, and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from its mining operations. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in its liquidity either materially increasing or decreasing at present or in the foreseeable future.

Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration programs on its properties, as well as its continued ability to raise capital.

The Company anticipates spending capital resources on exploration in the next twelve months on its Marshall Lake property, and the newly acquired gold properties. The Company requires further funding to cover the Company's next phase of exploration, and general and administrative expenses. The Company assesses its financing requirements and its ability to access equity or debt markets on an ongoing basis. The assessment considers: the stage and success of the Company's evaluation activities to date; the continued participation of the Company's larger investors; and financial market conditions. The Company incurred exploration and evaluation expenditures in the amount of \$265,337 during the year ended October 31, 2020 (2019 - \$49,707).

Net cash used in operating activities for the year ended October 31, 2020 was \$470,100 compared to \$65,611 for the year ended October 31, 2019, consisting of the loss for the period and the change in non-cash items. Net cash provided by financing activities for the year ended October 31, 2020 was \$440,407 (2019 - \$104,785).

At present, the Company's operations generate no cash flow and its financial success is dependent on management's ability to obtain financing and discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. Management believes the Company will be successful at securing additional funding so that its capital resources will be sufficient to carry its operations through the next twelve months and intends to continue the exploration of its mineral properties.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond their control.

The Company announced a non-brokered private placement on March 4, 2021 and closed the financing on May 17, 2021, having raised a total of \$1,386,025 and issued 19,030,000 NFT Units and 6,685,000 FT Units in connection with the Offering, and paid finders' fees of \$33,917 in cash, and issued 611,450 non-transferable finders' warrants exercisable at \$0.10 for a period of 24 months from the closing date.

The proceeds from the issuance of the FT Units will be used to incur qualified Canadian exploration expenses for planned exploration work on the Marshall Lake copper-zinc-silver-gold property. Net proceeds from the issuance of the NFT Units will be used for general corporate purposes, as well as supporting work on the Marshall Lake property. All securities issuable are subject to a four-month hold period from the closing date.

### **OFF BALANCE SHEET ARRANGEMENTS**

The Company is not a party to any off-balance sheet arrangements or transactions.

### **PROPOSED TRANSACTIONS**

The Company does not currently have any other proposed asset or business acquisitions or dispositions, other than as disclosed in the subsequent events section; however, the Company continues to seek new business opportunities to raise capital.

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### SUMMARY OF QUARTERLY RESULTS

	July 31, 2021	April 30, 2021	January 31, 2021	October 31, 2020
Total assets	\$3,281,422	\$3,350,307	\$2,575,919	\$2,609,240
Mineral property interests	2,565,362	2,565,362	2,565,362	2,565,362
Working capital (deficit)	430,662	353,961	(497,793)	(440,428)
Shareholders' equity	2,996,024	2,919,323	2,067,569	2,125,434
Total revenue	-	-	-	-
Expenses, excluding exploration and evaluation expenses and share-based compensation	71,067	72,007	28,614	22,666
Exploration and evaluation expenses	239,620	78,109	29,251	230,204
Share-based compensation	-	-	-	-
Total expenses	310,687	150,116	57,865	277,870
Net loss	274,535	150,116	57,865	239,037
Basic and diluted loss per share	(0.002)	(0.001)	(0.001)	(0.001)

	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019
Total assets	\$2,782,439	\$2,716,853	\$2,745,153	\$2,660,541
Mineral property interests	2,565,362	2,565,362	2,565,362	2,614,862
Working capital (deficit)	(56,397)	(148,429)	(112,863)	(365,156)
Shareholders' equity	2,401,971	2,312,695	2,350,863	2,150,528
Total revenue	-	-	-	-
Expenses, excluding exploration and evaluation expenses and share-based compensation	25,896	48,475	37,607	49,856
Exploration and evaluation expenses	17,800	9,475	7,858	30,785
Share-based compensation	-	6,650	39,900	9,600
Total expenses	43,696	64,600	134,865	90,241
Net loss	42,061	56,068	109,865	90,241
Basic and diluted loss per share	(0.000)	(0.000)	(0.001)	(0.001)

Quarterly results will vary in accordance with the Company's exploration and evaluation activities, financing and non-cash expenses such as share-based compensation and legal and audit fees. The Company's professional fees will vary in each quarter depending on financing and property acquisitions. Otherwise the operating expenses have been reasonably consistent over the last four quarters.

In the quarter ended July 31, 2021 the Company recognized net loss of \$274,535 compared to a loss of \$150,116 in the previous quarter for a change of \$124,419. The major reason for the increase in the loss from the previous quarter is the increase in exploration and evaluation expenses, as the Company prepares for the 2021 summer fieldwork program and conducts geophysical surveys and field camp upgrades. General and administration expenses were largely consistent over the two quarters.

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## **Management's Discussion and Analysis**

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### **Significant accounting estimates and judgments**

The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates. Revisions to accounting estimates, or changes to judgments, are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions that management has made about current unknowns, the future, and other sources of uncertainty, could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. Such significant assumptions include, but are not limited to, the following areas:

#### ***Critical accounting estimates***

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include but are not limited to, the following:

- **Share based payments**

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

- **Convertible debentures**

The convertible debentures are classified as liabilities, with the exception of the portion relating to the conversion feature, resulting in the carrying value of the liability being less than its face value. The discount is being accreted over the term of the debentures, using the effective interest rate method which approximates the market rate at the date the debentures were issued. Management uses its judgment to determine an interest rate that would have been applicable to non-convertible debt at the time the debentures were issued.

#### ***Critical accounting judgments***

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- **Recoverability of mineral property interests**

Assets or cash-generating-units ("CGUs") are separately evaluated as each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral property interests.

The assessment of impairment of mineral property interests requires judgment to determine whether indicators of impairment exist including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of mineral property interests are budgeted and results of exploration activities up to the reporting date.

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## **Management's Discussion and Analysis**

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### **New Standards, Interpretations and Amendments Not Yet Adopted**

#### **Adoption of New Accounting Standards**

##### **IFRS 16 - Leases**

IFRS 16 *Leases* replaces IAS 17 *Leases* along with interpretation IFRIC 4 *Determining whether an arrangement contains a lease*, SIC 15 *Operating Lease Incentives*, and SIC 27 *Evaluating the Substance of Transactions Involving a Legal Form of a Lease*.

The new standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognized in equity as an adjustment to the opening balance of the deficit for the current year.

The Company has applied the following practical expedient on the date of initial application:

- For contracts in place at the initial application, the Company has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as a lease under IAS 17 and IFRIC 4.

The adoption of IFRS 16 did not have a material impact on the Company's financial statements.

##### **IFRIC 23 – Uncertainty over Income Tax Treatments**

On June 7, 2017, the IASB issued IFRIC Interpretation 23, *Uncertainty over Income Tax Treatments* ("IFRIC 23"). The Interpretation provides guidance on the accounting treatment for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income treatments and is effective for year-ends beginning on or after January 1, 2019. The Company adopted the interpretation in its financial statements for the annual period beginning November 1, 2019. The adoption of IFRIC 23 did not have a material impact on the Company's financial statements.

#### **New standards and interpretations not yet adopted**

##### **Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)**

The IASB has published *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

The amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The Company does not expect the adoption of this amendment to have a significant impact.

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## Management's Discussion and Analysis

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### TRANSACTIONS WITH RELATED PARTIES

#### Key management compensation

Key management includes directors and other key personnel, including the CEO and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company. The compensation paid to these key management personnel for the three months ended July 31, 2021 and 2020 is outlined below:

	Three months ended July 31		Nine months ended July 31	
	2021	2020	2021	2020
Management fees accrued	\$ 6,000	\$ 6,000	\$ 18,000	\$ 18,000
Share-based compensation	-	6,650	-	46,550
	<u>\$ 6,000</u>	<u>\$ 12,650</u>	<u>\$ 18,000</u>	<u>\$ 58,550</u>

Included in accounts payable and accrued liabilities as at July 31, 2021 is \$42,940 (October 31, 2020 - \$97,711) owed to directors and officers.

As at July 31, 2021, a director of the Company had advanced funds to the Company in the amount of \$9,734 (October 31, 2020 - \$56,340). This advance is unsecured, non-interest bearing and has no terms of repayment.

#### COMMITMENTS

The Company currently has no commitments.

#### CAPITAL MANAGEMENT

The Company's shareholders' equity comprises its capital under management. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk level.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

To fund future operations and exploration activities, the Company will need to raise funds through future share issuances, issue new debt or dispose of assets.

There have been no changes to the Company's approach to capital management during the three months ended July 31, 2021. The Company is not subject to externally imposed capital requirements.

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## **Management's Discussion and Analysis**

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### **FINANCIAL INSTRUMENTS (MANAGEMENT OF FINANCIAL RISKS)**

#### **Credit risk**

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents and receivables.

The Company's credit risk is primarily attributable to cash and cash equivalents. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote, as it maintains accounts with highly rated financial institutions. Receivables are due primarily from companies with related parties.

The Company is exposed to credit risk on its receivables. Credit risk with respect to receivables has been assessed as low, as the Company has minimal accounts receivable.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At July 31, 2021, the Company had current liabilities of \$285,398 (October 31, 2020: \$483,806) and cash available in the amount of \$415,402. Included in the current liabilities amount are accruals in the amount of \$68,835 (October 31, 2020 - \$59,086) which the Company expects to settle through the issuance of shares. In addition, there is also \$24,000 (October 31, 2020 - \$66,000) in accrued management fees which have no payment terms. Also included in this amount are convertible debentures with a face value of \$112,500 which matured on April 28, 2021, and which the Company is negotiating the settlement of the principal amount.

#### **Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices. The Company is not exposed to any significant interest rate risk volatility or foreign exchange risk. Commodity prices may have an impact on the value of minerals that the company is exploring for.

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## Management's Discussion and Analysis

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### OUTSTANDING SHARE DATA as at September 28, 2021

a) Authorized:

Unlimited number of shares, without par value

b) Issued and outstanding:

175,269,100 common shares

c) Outstanding incentive stock options:

Expiry Date	Number	Exercise Price
September 29, 2021	1,000,000	0.055
January 18, 2023	1,550,000	0.050
March 15, 2023	250,000	0.050
February 11, 2024	100,000	0.050
August 7, 2024	1,000,000	0.050
December 2, 2024	1,750,000	0.050
December 13, 2024	1,000,000	0.050
April 28, 2025	500,000	0.050
<b>Outstanding</b>	<b>7,150,000</b>	<b>\$ 0.052</b>

d) Warrants

Expiry Date	Number	Exercise Price
June 18, 2021	3,641,250	0.050
December 30, 2021	16,413,333	0.050
February 18, 2022	642,000	0.050
May 8, 2022	7,833,332	0.050
April 15, 2023	15,422,950	0.100
May 17, 2023	7,561,000	0.100
<b>Outstanding and exercisable</b>	<b>48,279,415</b>	<b>\$ 0.074</b>

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### **RISKS AND UNCERTAINTIES**

The Company is subject to the normal risks entailed in mineral exploration and development. These can involve a number of known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements to be materially different from any expected future results, performance, or achievements. The discovery, development and acquisition of mineral properties are in many instances unpredictable events. Future metal prices, the success of exploration programs, and other property transactions can have a significant impact on capital requirements. In addition, risk factors that could affect the Company's future results, include, but are not limited to, foreign exchange, competition, risk inherent in mineral exploration and development, and policies including mineral tenure, trade laws and policies, receipt of permits and approvals from government authorities, and other operating and development risks.

#### **Exploration and Mining Risks**

The business of exploration for and mining minerals involves a high degree of risk. Fires, power outages, labor disruptions, flooding, cave-ins, landslides, and the inability to obtain suitable adequate machinery, equipment or labor are other risks involved in the operation of mines and the conduct of exploration programs.

The Company has relied on, and may continue to rely upon, consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

#### **Financing**

While the Company has been successful in the past, there is no assurance that funding will be available under the terms that are satisfactory to management. Funds available for operations may vary significantly from management's estimates due to changes that are outside the control of management. Differences between actual exploration costs and management's estimates will occur, and these differences may be material. There is no assurance that future financial market conditions will result in sufficient funds being available to the Company to continue in the normal course of business.

#### **Commodity Price**

The price of metals can fluctuate widely and can be affected by many external factors beyond the control of the Company. Some of these factors include, demand, inflation, fluctuations in various currencies, interest rates, forward gold sales, political or economic events in producing regions, and fluctuations in the cost of production.

#### **Competition**

Competition exists for mineral deposits where Copper Lake Resources Ltd. conducts its operations. As a result, some of which may be with large established mining companies with substantially greater financial and technical resources, Copper Lake Resources Ltd may be unable to acquire additional attractive mining claims or financing on terms it considers acceptable. Copper Lake Resources Ltd. also competes with other companies in the recruitment and retention of qualified employees.

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### **Dependence on Key Management and Employees**

Copper Lake Resources Ltd.'s development depends on the efforts of key members of management. Loss of any of these people could have a material adverse effect on Copper Lake Resources Ltd. The Company does not have key man insurance with respect to any of its key members of management.

### **Conflicts**

Certain directors of Copper Lake Resources Ltd. also serve as directors of other companies involved in mineral resource exploration and development and, to the extent that such other companies may participate in areas in which the Company may be active, the possibility exists for such directors to be in a position of conflict. In accordance with the corporate laws, the directors are required to act honestly, in good faith, and in the best interests of Copper Lake Resources Ltd. In addition, such directors will declare and abstain from voting on any matter in which such directors may have a conflict of interest. At present, there are no such conflicts and the likelihood of any is unlikely given the companies and areas of interest that could potentially be involved.

### **Legal Proceedings**

Due to the nature of its business, the Company may be subject to regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. While the Company cannot reasonably predict the ultimate outcomes of these actions, and inherent uncertainties exist in predicting such outcomes, the Company believes that the ultimate resolution of these actions is not reasonably likely to have a material adverse effect on the Company's financial condition or future results of operations. A liability is recognized where, based on the Company's legal views and advice, it is considered probable that an outflow of resources will be required to settle a present obligation that can be measured reliably. The Company is not aware of any material unrecorded contingent liabilities which require recording in the financial statements for the quarter ended July 31, 2021.

### **COVID-19**

Since January 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and impact on the financial results and condition of the Company and its operations in future periods.