



COPPER LAKE
RESOURCES LTD

Condensed Interim Financial Statements

**For the Three and Nine Months Ended
July 31, 2022**

(Expressed in Canadian dollars)

Unaudited – Prepared by Management

Copper Lake Resources Ltd.

The accompanying unaudited condensed interim financial statements of Copper Lake Resources Ltd. for the three and nine months ended July 31, 2022 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that these unaudited condensed interim financial statements have not been reviewed by its auditor.

Copper Lake Resources Ltd.
Condensed Interim Statements of Comprehensive Loss
For the Three and Nine Months Ended July 31

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Three months ended July 31		Nine months ended July 31	
		2022	2021	2022	2021
		\$	\$	\$	\$
Expenses					
Accretion of interest on convertible debentures		-	-	-	2,756
Acquisition costs related to expired claims		-	-	16,500	-
Exploration and evaluation expenditures		134,061	239,520	1,492,760	346,980
Foreign exchange loss (gain)		(1,441)	(2,222)	(3,322)	(289)
General and administration		4,110	13,510	12,278	14,145
Interest and bank charges, net of interest income		(679)	3,582	5,416	11,648
Investor relations and advisory fees		38,766	37,378	100,034	84,146
Management fees	6	6,000	6,000	18,000	18,000
Professional fees		45	5,773	7,541	20,037
Transfer agent and regulatory		4,167	7,046	24,258	21,412
Total expenses		185,029	310,687	1,673,465	518,668
Flow-through share premium recovery		-	(36,152)	-	(36,152)
Net loss and comprehensive loss for the period		\$ 185,029	\$ 274,535	\$ 1,673,465	\$ 482,516
Basic and diluted loss per share		\$ (0.001)	\$ (0.002)	\$ (0.008)	\$ (0.003)
Weighted average common Shares outstanding		203,786,761	173,380,346	199,748,817	157,963,013

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.
Condensed Interim Statements of Changes in Shareholders' Equity
For the Nine Months Ended July 31

(Unaudited)

(Expressed in Canadian dollars)

	Shares	Capital stock Amount	Share-based payment reserve	Equity component of convertible debt	Deficit	Total
		\$	\$	\$	\$	\$
Balance, October 31, 2021	183,019,096	18,092,499	698,072	-	(15,776,968)	3,013,603
Exercise of options	750,000	57,842	(20,342)	-	-	37,500
Exercise of warrants	19,517,665	1,048,306	(1,372)	-	-	1,046,934
Net loss and comprehensive loss for the period	-	-	-	-	(1,673,465)	(1,673,465)
Balance, July 31, 2022	203,286,761	19,198,647	676,358	-	(17,450,433)	2,424,572
Balance, October 31, 2020	147,760,100	16,322,576	342,716	35,890	(14,575,748)	2,125,434
Private placement of units	25,715,000	1,320,175	-	-	-	940,925
Share issue costs	-	(74,553)	17,784	-	-	(28,755)
Exercise of warrants	1,794,000	89,700	-	-	-	89,700
Transfer on expiry of options	-	-	(26,500)	-	26,500	-
Transfer on expiry of conversion feature	-	-	-	(35,890)	35,890	-
Net loss and comprehensive loss for the period	-	-	-	-	(482,516)	(482,516)
Balance, July 31, 2021	167,714,100	17,307,782	332,880	-	(14,995,874)	2,996,024

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.
Condensed Interim Statement of Cash Flows
For the Nine Months Ended July 31

(Unaudited)

(Expressed in Canadian dollars)

	Nine months ended	
	July 31, 2022	July 31, 2021
	\$	\$
Cash flows (used in) from operating activities:		
Net loss and comprehensive loss for the period	(1,673,465)	(482,516)
Items not involving cash:		
Accretion of interest on convertible debt	-	2,589
Share-based payments	-	-
Flow-through share premium recovery	-	(35,152)
Acquisition costs related to expired claims	16,500	-
Change in non-cash working capital items:		
HST receivable	19,128	(11,221)
Prepaid expenses and deposits	53,640	(30,858)
Accounts payable and accrued liabilities	9,057	(184,938)
	(1,575,140)	(742,096)
Cash flows (used in) from investing activities:		
Exploration and evaluation asset expenditures	-	-
	-	-
Cash flows from financing activities:		
Advances from shareholder	(8,668)	(46,758)
Repayment of convertible debt	(100,000)	-
Exercise of options	37,500	-
Exercise of warrants	1,046,934	89,700
Proceeds from unit subscriptions	379,500	1,386,025
Share issuance costs	-	(56,769)
	1,355,266	1,372,198
Increase (decrease) in cash and cash equivalents	(219,874)	630,102
Cash and cash equivalents, beginning of period	520,594	11,703
Cash and cash equivalents, end of period	300,720	641,805

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements
For the Three and Nine Months Ended July 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Copper Lake Resources Ltd. (“Copper Lake” or the “Company”) was incorporated under the laws of the Province of British Columbia and is in the business of exploration and development of mineral resource properties. The address of the Company’s head office is 1 King Street West, Suite 4800, Toronto, Ontario. The Company’s shares are listed on the TSX-V under the trading symbol CPL and on the OTC under the trading symbol WTCZF. The Company is a mineral exploration company focused on acquiring, exploring and developing mineral property interests in Canada.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has no source of operating cash flows, has not yet achieved profitable operations, has a working capital deficit, has accumulated losses since its inception, expects to incur further losses in the development of its business and has no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. These conditions cast significant doubt about the Company’s ability to continue as a going concern. The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations, and receive continued financial support from its creditors and shareholders.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests.

In the future, the Company may raise additional financing through the issuance of share capital or shareholder loans, however, there can be no assurance that it will be successful in its efforts to do so and that the terms will be favorable to the Company. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Management is actively seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements as at and for the year ended October 31, 2021.

These condensed interim financial statements were authorized for issue by the Board of Directors on September 27, 2021.

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements
For the Three and Nine Months Ended July 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION *(continued)*

Significant accounting policies

The policies applied in these condensed interim financial statements follow the same accounting policies and methods of application as our most recent annual financial statements. Accordingly, they should be read in conjunction with our audited financial statements for the year ended October 31, 2021.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information is expressed in Canadian dollars unless otherwise stated and have been rounded to the nearest dollar.

Use of estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and 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.

The most significant accounts that require estimates as the basis for determining the stated amounts include the impairment of assets.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended October 31, 2021.

3. MINERAL PROPERTY INTERESTS

Marshall Lake Property

On June 6, 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 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"), and Copper Lake would have the right to acquire the NSR at any time for \$1 million.

During the current quarter, Rainy Mountain's interest was diluted to 20.55 % as it did not meet its payment obligations under the JV Agreement for the expenditures to April 30, 2022. Copper Lakes interest in the property is now 79.45%. At July 31, 2022, Rainy Mountain's pro rata share of expenditures owing is \$23,744. No amount has been recorded in these financial statements for Rainy Mountain's pro rata share.

Norton Lake Property

The Norton Lake property is subject to a joint venture agreement between the Company and Rainy Mountain, which was originally set up in 2009. The property is located north of Thunder Bay, Ontario and the Company is the operator. The Company's interest in the property is currently 69.79%.

During the quarter, Rainy Mountain contributed \$7,714 to maintain their interest in the property.

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements
For the Three and Nine Months Ended July 31, 2022

(Unaudited)

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3. MINERAL PROPERTY INTERESTS *(continued)*

Centrefire Redhat Property

During the current year, the Company allowed the Centrefire Redhat claims to lapse. As a result, acquisition costs in the amount of \$16,500 were written.

Exploration and evaluation expenses

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, 2022

	Marshall Lake Property	Norton Lake Property	Total
Assays	18,541	-	18,541
Claims management	120	780	900
Drilling	440,434	-	440,434
Equipment rental	84,926	-	84,926
Exploration office and management	77,836	-	77,836
Field exploration camp	452,176	-	452,176
Geophysical	283,879	-	283,879
Geotechnical	10,260	-	10,260
Line cutting	24,837	-	24,837
Property taxes and lease rent	15,095	-	15,095
Roads and access	85,797	-	85,797
Storage	3,600	-	3,600
Travel	2,193	-	2,193
JV Partner contributions received	-	(7,714)	(7,714)
Expenditures for the period	1,499,694	(6,934)	1,492,760
Cumulative balance - October 31, 2021	4,944,466	844,619	5,789,085
Balance, July 31, 2022	\$ 6,444,160	\$ 837,685	7,281,845

For the nine months ended July 31, 2021

	Marshall Lake Property	Norton Lake 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
Expenditures for the period	343,945	3,035	346,980
Cumulative balance - October 31, 2020	4,305,478	840,784	5,146,262
Balance, July 31, 2021	\$ 4,649,423	\$ 843,819	5,493,242

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements
For the Three and Nine Months Ended July 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

4. CAPITAL STOCK

The Company is authorized to issue unlimited common shares without par value.

During the nine-month ended July 31, 2022, the Company completed the following share transactions:

A total of 19,517,665 warrants were exercised for proceeds of \$1,046,934 and 750,000 options were exercised for proceeds of \$37,500.

During the nine-month ended July 31, 2021, the Company completed the following share transactions:

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.

In connection with the closing of the offering, the Company paid finders’ fees of \$31,117 and issued 555,450 non-transferrable warrants (“Broker Warrants”) to certain arm’s length finders. Each Broker Warrant entitles the holder to acquire one additional common share at a price of \$0.10 for a period of 24 months from the closing date. The value allocated to the warrants was \$16,664.

Stock Options

Stock option transactions for the period are summarized as follows:

	July 31, 2022		October 31, 2021	
	Number of Options	Weighted Ave Exercise Price	Number of Options	Weighted Ave Exercise Price
Opening balance	15,850,000	0.063	9,650,000	0.051
Granted	-	-	9,700,000	0.071
Exercised	(750,000)	0.050	(1,000,000)	0.055
Expired	-	-	(2,500,000)	0.050
Ending balance	15,100,000	\$0.064	15,850,000	\$0.063
Options exercisable	15,100,000	\$0.064	15,850,000	\$0.063

The following options were outstanding as at July 31, 2022 and October 31, 2021:

Expiry Date	July 31, 2022	October 31, 2021	Exercise Price
January 18, 2023	1,550,000	1,550,000	\$0.050
March 15, 2023	250,000	250,000	0.080
February 11, 2024	100,000	100,000	0.050
August 7, 2024	1,000,000	1,000,000	0.050
December 2, 2024	1,750,000	1,750,000	0.050
December 13, 2024	1,000,000	1,000,000	0.050
April 28, 2025	500,000	500,000	0.050
August 26, 2026	2,300,000	3,050,000	0.050
October 18, 2026	6,650,000	6,650,000	0.080
Outstanding	15,100,000	15,850,000	0.051
Weighted average remaining life	3.20 years	3.99 years	\$0.064

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements
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(Expressed in Canadian dollars)

4. CAPITAL STOCK (continued)

Share-based compensation

During the nine months ended July 31, 2022, the Company recognized \$nil (2021 - \$nil) as share-based compensation expense for options vested during the period.

Share Purchase Warrants

Share purchase warrant transactions are summarized as follows:

	Nine months ended July 31, 2022		Year ended October 31, 2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance	41,122,615	\$ 0.078	36,963,988	\$ 0.050
Issued	-	0.050	22,983,950	0.100
Exercised	(19,517,665)	0.054	(8,544,000)	0.050
Expired	(42,000)	0.050	(10,281,323)	0.050
Ending balance	21,604,950	\$ 0.100	41,122,615	\$ 0.078
Warrants exercisable	21,562,950	\$ 0.100	41,122,615	\$ 0.078

As at July 31, 2022 and October 31, 2021 the following share purchase warrants were outstanding:

Expiry Date	Number of Warrants		Exercise Price \$
	July 31, 2022	October 31, 2021	
December 30, 2021	-	11,663,333	0.050
February 18, 2022	-	642,000	0.050
May 8, 2022	-	5,833,332	0.050
April 15, 2023	14,001,950	15,422,950	0.100
May 17, 2023	7,561,000	7,561,000	0.100
Outstanding and exercisable	21,562,950	41,122,615	\$0.100

5. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management includes directors and other key personnel, including the CEO, President 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 and nine months ended July 31, 2022 and 2021 is outlined below:

	Three months ended July 31		Nine months ended July 31	
	2022	2021	2022	2021
Management and director fees	\$ 6,000	\$ 6,000	\$ 18,000	\$ 18,000
Share-based compensation	-	-	-	-
	\$ 6,000	\$ 12,650	\$ 12,000	\$ 12,000

Included in accounts payable and accrued liabilities as at July 31, 2022 is \$12,418 (October 31, 2021 - \$37,253) owed to directors and officers. As at July 31, 2022, a director of the Company had advanced funds to the Company in the amount of \$1,381 (October 31, 2021 - \$10,049). This advance is unsecured, non-interest bearing and has no terms of repayment.

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements
For the Three and Nine Months Ended July 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

6. SUBSEQUENT EVENTS

On August 11, 2022, the Company announced that it had closed the first tranche of a private placement of units of the Company (the "Private Placement") for gross proceeds of \$1,346,250, consisting of 8,313,890 NFT Units and 5,980,000 FT Units.

The private placement will be for up to \$2,500,000, consisting of up to 8,333,333 Non Flow-Through Units ("NFT Units") at a price of \$0.09 per NFT Unit and up to 17,500,000 Flow-Through Units ("FT Units") at a price of \$0.10 per FT Unit. Each NFT Unit is comprised of one common share in the capital of Copper Lake (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each FT Unit is comprised of one Flow-Through common share and one-half of one Common Share purchase warrant (each whole warrant a "Warrant"). Each Warrant entitles the holder to acquire one additional share at an exercise price of \$0.15 per Common Share for a period of 36 months from the closing date. The Warrants shall be subject to an accelerated expiry date clause whereby. At any time following the expiry of the four-months and one day hold period, should the weighted average closing price of the Common Shares on the TSX Venture Exchange (the "TSX-V") be more than \$0.25 for a period of 15 consecutive trading days, the Company shall be entitled to accelerate the expiry date of the warrants to a date which is 30 days following the date on which the Company announces the accelerated expiry of the Warrants by press release.

The final tranche of the financing is expected to close on or about October 13, 2022. The net proceeds of the financing will be used for exploration at the Company's Marshall Lake project and for general working capital purposes. In accordance with applicable Canadian securities laws, all securities issued pursuant to the private placement will have a hold period of four months and one day from the date of issuance.