



**COPPER LAKE**  
RESOURCES LTD

**Condensed Interim Financial Statements**

**For the Three and Six Months Ended  
April 30, 2016**

(Expressed in Canadian dollars)

Unaudited – Prepared by Management

## **Copper Lake Resources Ltd.**

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The accompanying unaudited condensed interim financial statements of Copper Lake Resources Ltd. for the three and six months ended April 30, 2016 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 Financial Position**

(Unaudited)

(Expressed in Canadian dollars)

	Notes	April 30, 2016	October 31 2015
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		217,096	16,007
GST receivable		3,386	3,937
		220,482	19,444
Deposits		2,457	2,457
Exploration and evaluation assets	3	3,433,733	3,427,130
<b>Total assets</b>		<b>3,656,672</b>	<b>3,449,531</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		234,018	371,230
Advances from shareholders	5	45,997	200,000
Loan payable	5	-	231,562
		280,015	802,792
Convertible debenture	4	285,845	-
<b>Shareholders' equity</b>			
Capital stock	6	12,099,946	11,745,046
Equity component of convertible debt	4	134,155	-
Share-based payments reserve		241,728	135,411
Deficit		(9,385,017)	(9,280,410)
		3,090,812	2,646,739
<b>Total liabilities and shareholders' equity</b>		<b>3,656,672</b>	<b>3,449,531</b>

Going concern (Note 1)  
Subsequent event (Note 8)

On behalf of the Board:

“Terrence MacDonald” Director

“Gary O'Connor” Director

The accompanying notes are an integral part of these condensed interim financial statements

**Copper Lake Resources Ltd.**  
**Condensed Interim Statements of Comprehensive Loss**

(Unaudited)

(Expressed in Canadian dollars, except per share amounts)

	Notes	Three months ended April 30 2016	2015	Six months ended April 30 2016	2015
		\$	\$	\$	\$
<b>Expenses</b>					
Audit and legal		( 741)	15,222	14,480	6,125
Insurance		-	2,494	-	5,112
Interest and bank charges	5	14	9,000	244	17,393
Management	5	2,000	26,050	53,500	58,300
Office and general		462	659	1,209	2,501
Rent	5	500	4,500	2,500	8,011
Share-based compensation	5	59,625	-	59,625	-
Transfer agent and regulatory		10,842	7,083	15,504	13,335
Travel		-	7,083	4,237	13,335
<b>Net loss and comprehensive loss</b>		<b>\$72,702</b>	<b>\$ 57,522</b>	<b>\$ 151,299</b>	<b>\$ 115,580</b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average common Shares outstanding</b>		<b>48,464,282</b>	<b>38,266,282</b>	<b>46,640,032</b>	<b>38,266,282</b>

The accompanying notes are an integral part of these condensed interim financial statements.

**Copper Lake Resources Ltd.**  
**Condensed Interim Statements of Changes in Shareholders' Equity**

(Unaudited)

(Expressed in Canadian dollars)

	Capital stock		Share-based payments reserve	Equity component of convertible debt	Deficit	Total
	Shares	Amount				
		\$	\$	\$	\$	\$
<b>Balance, October 31, 2015</b>	41,266,282	11,745,046	135,411	-	(9,233,718)	2,646,739
Issued in connection with debt settlement	7,000,000	350,000	46,692			396,692
Advance share subscriptions		(5,000)				(5,000)
Private placement	198,000	9,900				9,900
Share-based payments			59,625			59,625
Equity component of convertible debt				134,155		134,155
Net loss and comprehensive loss for the period	-	-	-	-	( 151,299)	( 151,299)
<b>Balance, April 30, 2016</b>	<b>48,464,282</b>	<b>12,099,946</b>	<b>241,728</b>	<b>134,155</b>	<b>(9,385,017)</b>	<b>3,090,812</b>
<b>Balance, October 31, 2014</b>	38,266,282	11,590,218	791,950	-	(8,408,605)	3,973,563
Net loss and comprehensive loss for the period	-	-	-	-	( 115,580)	( 115,580)
<b>Balance, April 30, 2015</b>	<b>38,266,282</b>	<b>11,590,218</b>	<b>791,950</b>	<b>-</b>	<b>(8,524,185)</b>	<b>3,857,983</b>

**Copper Lake Resources Ltd.**  
**Condensed Interim Statements of Cash Flows**

(Unaudited)

(Expressed in Canadian dollars)

	Three months ended		Six months ended	
	April 30, 2016	April 30, 2015	April 30, 2016	April 30, 2015
			\$	
<b>Cash flows (used in) from operating activities:</b>				
Net loss and comprehensive loss for the period	( 72,702)	( 57,522)	(151,299)	(115,580)
Items not involving cash:				
Share-based compensation	59,625	-	59,625	-
Change in non-cash working capital items:				
Accounts receivable	4,303	( 9,971)	552	( 12,095)
Prepaid expenses	-	2,494	-	5,113
Accounts payable and accrued liabilities	(188,418)	28,599	(137,214)	( 30,271)
	<b>(197,192)</b>	<b>( 36,400)</b>	<b>(228,336)</b>	<b>(152,833)</b>
<b>Cash flows (used in) from investing activities:</b>				
Deposits	-	-	-	-
Exploration and evaluation asset expenditures	( 6,603)	-	( 6,603)	-
	<b>( 6,603)</b>	<b>-</b>	<b>( 6,603)</b>	<b>-</b>
<b>Cash flows from financing activities:</b>				
Advance from shareholders	788	100,000	11,128	200,000
Proceeds from issuance of capital stock	-	-	4,900	-
Proceeds from issuance of convertible debenture	420,000	-	420,000	-
	<b>420,788</b>	<b>100,000</b>	<b>436,028</b>	<b>200,000</b>
<b>Increase (decrease) in cash and cash equivalents</b>	216,993	63,600	201,089	47,167
Cash and cash equivalents, beginning of period	103	18,124	16,007	34,557
<b>Cash and cash equivalents, end of period</b>	<b>217,096</b>	<b>81,724</b>	<b>217,096</b>	<b>81,724</b>

# Copper Lake Resources Ltd.

## Notes to Condensed Interim Financial Statements

### Three and six months ended April 30, 2016

(Unaudited)

(Expressed in Canadian dollars)

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#### 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. On September 23, 2014 White Tiger Mining Corp. received TSX Venture Exchange acceptance and officially changed its name to Copper Lake Resources Ltd. The Company’s shares are listed on the TSX Venture Exchange under the trading symbol CPL. The Company’s head office is located at 501 Alliance Avenue, Suite 401, Toronto, Ontario.

These 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 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. 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, 2015.

These condensed interim financial statements were authorized for issue by the Board of Directors on June 7, 2016.

##### 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, 2015.

##### Functional and presentation currency

These condensed interim 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.

##### Convertible Debentures

Convertible debentures, where applicable, are separated into their liability and equity components using the effective interest rate method. The fair value of the liability component at the time of issue is determined based on as estimated interest rate of the debentures without the conversion feature. The fair value of the equity component is determined as the difference between the face value and the fair value of the liability component.

**Copper Lake Resources Ltd.**  
**Notes to Condensed Interim Financial Statements**  
**Three and six months ended April 30, 2016**

(Unaudited)

(Expressed in Canadian dollars)

**2. BASIS OF PREPARATION (Continued)**

**Use of estimates and judgments**

In preparing these condensed interim financial statements, management made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include convertible debentures and 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 that applied to the financial statements as at and for the year ended October 31, 2015.

**3. EXPLORATION AND DEVELOPMENT ASSETS**

During the six months ended April 30, 2016, the Company incurred expenditures on the Marshall Lake property in the amount of \$6,603.

**4. CONVERTIBLE DEBENTURES**

	Liability Component	Equity Component	Total
<b>Balance October 31, 2015</b>			
Issuance of convertible debentures	\$ 285,845	\$ 134,155	\$ 420,000
Accretion	-	-	-
Interest	-	-	-
<b>Balance April 30, 2016</b>	<b>\$ 285,845</b>	<b>\$ 134,155</b>	<b>\$ 420,000</b>

On April 28, 2016 the Company closed a \$420,000 non-brokered private placement of convertible debentures. The unsecured subordinated convertible debentures bear interest at 12% per annum, calculated annually and have a term of five years from the date of issue.

The debentures are convertible into units at the rate of \$0.05 for the first year and \$0.10 thereafter. Each unit is comprised of one common share and one common share warrant of the Company. Each common share warrant entitles the holder to purchase one additional common share of the Company at an exercise price equal to the conversion price at the time of issuance of the warrants. The warrants will expire on the date which is the earlier of (a) four years from the date of issuance of the warrant, and (b) April 28, 2021.

**5. RELATED PARTY TRANSACTIONS**

The following are related party transactions that have occurred during the three and six months ended April 30, 2016, which have not otherwise been disclosed herein.

The Company paid or accrued the following amounts to directors, companies controlled by directors or companies having common directors during the three and six months ended April 30, 2016:

	<b>Three months ended April 30</b>		<b>Six months ended April 30</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Interest on loan	-	-	-	17,000
Rent	-	4,500	2,000	8,011
	-	4,500	2,000	25,011



**Copper Lake Resources Ltd.**  
**Notes to Condensed Interim Financial Statements**  
**Three and six months ended April 30, 2016**

(Unaudited)

(Expressed in Canadian dollars)

**5. RELATED PARTY TRANSACTIONS (Continued)**

**Key management 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 six months ended April 30, 2016 and 2015 is outlined below:

	<b>Three months ended April 30</b>		<b>Six months ended April 30</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Management fees	2,000	26,050	53,500	53,800
Share-based compensation	59,625	-	59,625	-
	<b>61,625</b>	<b>26,050</b>	<b>113,125</b>	<b>53,800</b>

On December 10, 2015 the Company completed a debt settlement with Prairie Enterprises (Alberta) Inc., a company controlled by a director, whereby the Company issued 7,000,000 common shares and 900,000 share purchase warrants to settle debt in the amount of \$396,692. The share purchase warrants have an exercise price of \$0.10 and expire 18 months from the date of issue.

During the six months ended April 30, 2016 shareholders who were also a director and officer advanced funds to the Company totaling \$11,128 (2015 \$100,000). These advances are unsecured, non-interest bearing and have no terms of repayment.

**6. CAPITAL STOCK**

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

**Share Issuance**

On January 14, 2016 the Company announced that it has closed a previously announced non-brokered private placement, and issued 198,000 units at \$0.05 per unit for gross proceeds of \$9,900. Each unit consists of one common share and one half share purchase warrant. Each whole share purchase warrant will entitle the holder to acquire one additional common share at a price of \$0.10 for a period of 18 months from the date of issue.

**Share Options**

The Company has a share option plan, under which the Board of Directors is authorized to grant options to employees, directors, officers and consultants, enabling them to acquire up to 10% of the issued and outstanding share capital of the Company.

The following options were outstanding as at April 30, 2016 and October 31, 2015:

	<b>April 30, 2016</b>		<b>October 31, 2015</b>	
	<b>Number of Options</b>	<b>Exercise Price</b>	<b>Number of Options</b>	<b>Exercise Price</b>
<b>Opening balance</b>	745,000	\$0.21	920,000	\$ 0.24
Granted	2,250,000	0.05		
Expired	( 615,000)	0.22	(175,000)	\$ 0.45
<b>Ending balance</b>	<b>2,380,000</b>	<b>\$0.06</b>	<b>745,000</b>	<b>\$ 0.21</b>
<b>Options exercisable</b>	<b>2,380,000</b>	<b>\$0.06</b>	<b>745,000</b>	<b>\$ 0.21</b>

**Copper Lake Resources Ltd.**  
**Notes to Condensed Interim Financial Statements**  
**Three and six months ended April 30, 2016**

(Unaudited)

(Expressed in Canadian dollars)

**6. CAPITAL STOCK (continued)**

As at April 30, 2016 the following incentive stock options were outstanding:

Expiry Date	Number of Options		Exercise Price
	April 30, 2016	October 31, 2015	
February 16, 2016	-	130,000	\$ 0.38
May 10, 2016	-	48,000	\$0.30
August 31, 2016	15,000	42,000	\$ 0.25
July 3, 2017	80,000	280,000	\$ 0.16
August 29, 2017	35,000	245,000	\$ 0.16
April 6, 2021	2,250,000	-	\$ 0.05
<b>Outstanding and exercisable</b>	<b>2,380,000</b>	<b>745,000</b>	

**Share Purchase Warrants**

Share purchase warrant transactions are summarized for the following six month periods:

	April 30, 2016		October 31, 2015	
	Number of Warrants	Exercise Price	Number of Warrants	Exercise Price
<b>Opening balance</b>		\$ 0.26	<b>262,500</b>	\$ 0.26
Expired	(262,500)	0.26	(262,500)	0.26
Issued	904,950	0.10		
<b>Ending balance</b>	<b>904,950</b>	\$ 0.10	-	\$ -
<b>Warrants exercisable</b>	-		-	

**7. COMMITMENTS**

On November 1, 2015, the Company entered into a one-year consulting agreement with Coombes & Sons Administration Inc., a company controlled by Mr. Ron Coombes who is a director and officer of the Company, to provide services at a cost of \$10,000 per month. On February 29, 2016 Mr. Coombes resigned as both a director and officer of the Company and the agreement was terminated.

The Company has no other commitments.

**8. SUBSEQUENT EVENT**

On May 5, 2016 the Company announced that it had reached an agreement to acquire the 31.25% interest in the Marshall Lake property currently held by Marshall Lake Mining Limited ("MLMP"), a privately held company based in the United Kingdom. This acquisition will give Copper Lake a 68.75% interest in the property.

Consideration for the acquisition will consist of a maximum of 34,268,738 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 is valued at \$2,063,000. Completion of the acquisition is subject to shareholder and regulatory approval.