COPPER LAKE
RESOURCES LTD

Annual Financial Statements
For the Year Ended October 31, 2020

Expressed in Canadian dollars

Grant Thornton

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Independent auditor's report

To the Shareholders of Copper Lake Resources Ltd.:

Opinion

We have audited the accompanying financial statements of Copper Lake Resources Ltd. ("the Company"), which comprise the statements of financial position as at October 31, 2020 and 2019, and the statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Company as at October 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has no source of operating cash flows, has not yet achieved profitable operations, has a working capital deficit, and will require additional funding to advance the Company's exploration and evaluation efforts. This condition, along with the matters set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Kathleen Quinn.

Grant Thornton LLP

Mississauga, Canada
February 24, 2021

Chartered Professional Accountants
Licensed Public Accountants

Copper Lake Resources Ltd.
Statements of Financial Position
(Expressed in Canadian dollars)

As at	October 31, 2020	October 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 11,703	$ 41,396
HST receivable	28,659	4,283
Prepaid expenses and deposits	3,516	-
Total current assets	43,878	45,679
Mineral properties (note 4)	2,565,362	2,614,862
Total assets	**$ 2,609,240**	**$ 2,660,541**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	317,565	370,515
Flow-through share premium (note 6)	-	11,500
Advances from shareholder (note 7)	56,340	28,820
Convertible debentures (note 5)	109,911	-
Total current liabilities	483,806	410,835
Convertible debentures (note 5)	-	99,178
Total liabilities	**483,806**	**510,013**
Shareholders' equity		
Capital stock (note 6)	16,322,576	15,948,767
Reserves (note 6)	342,716	351,542
Equity component of convertible debt (note 5)	35,890	35,890
Deficit	(14,575,748)	(14,185,671)
Total shareholders' equity	2,125,434	2,150,528
Total liabilities and shareholders' equity	**$ 2,609,240**	**$ 2,660,541**

Nature of business and going concern (note 1)

On behalf of the Board:

"Terrence MacDonald" Director

"Paul McGroary" Director

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	For the year ended October 31 2020	2019
Expenses		
Accretion of interest on convertible debt (note 5)	$ 10,733	$ 8,540
Acquisition costs related to expired claims (note 4)	49,500	-
Exploration and evaluation expenditures (note 4)	265,337	49,707
Gain on option agreement amendment (note 4)	(25,000)	-
General and administration	8,988	3,397
Interest and bank charges	14,831	13,955
Investor relations	33,345	41,150
Management fees (note 7)	24,000	24,000
Professional fees	32,252	25,412
Share-based compensation (notes 6 and 7)	46,550	10,930
Transfer agent and listing fees	35,495	14,833
Total expenses	496,031	191,924
Flow-through share premium recovery	(49,000)	-
Net loss and comprehensive loss for the year	**$ 447,031**	**$ 191,924**
Basic and diluted loss per share	**$ 0.003**	**$ 0.002**
Weighted average number of common shares outstanding	**142,348,990**	**121,069,373**

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.
Statements of Changes in Shareholders' Equity
Years Ended October 31
(Expressed in Canadian dollars)

	Capital stock Shares	Amount	Reserves	Equity Component of Convertible Debt	Deficit	Total
		$	**$**	**$**	**$**	**$**
Balance, October 31, 2019	**123,193,435**	**15,948,767**	**351,542**	**35,890**	**(14,185,671)**	**2,150,528**
Transfer on expiry of options	-	-	(56,954)	-	56,954	-
Private placement of units	24,566,665	381,500	-	-	-	381,500
Share issue costs	-	(7,691)	1,578	-	-	(6,113)
Share-based compensation	-	-	46,550	-	-	46,550
Net loss and comprehensive loss	-	-	-	-	(447,031)	(447,031)
Balance, October 31, 2020	**147,760,100**	**16,322,576**	**342,716**	**35,890**	**(14,575,748)**	**2,125,434**
Balance, October 31, 2018	**119,552,185**	**15,885,549**	**445,908**	**35,890**	**(14,100,290)**	**2,267,057**
Transfer on expiry of options	-	-	(106,543)	-	106,543	-
Private placement of units	3,475,000	69,500	-	-	-	69,500
Share issue costs	166,250	(6,282)	1,247	-	-	(5,035)
Share-based compensation	-	-	10,930	-	-	10,930
Net loss and comprehensive loss	-	-	-	-	(191,924)	(191,924)
Balance, October 31, 2019	**123,193,435**	**15,948,767**	**351,542**	**35,890**	**(14,185,671)**	**2,150,528**

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.
Statements of Cash Flows
(Expressed in Canadian dollars)

	For the year ended October 31 2020	2019
Cash flows from operating activities:		
Loss for the year	$ (447,031)	$ (191,924)
Items not affecting cash:		
Share-based compensation	46,550	10,930
Accretion on convertible debenture	10,733	8,540
Flow-through share premium recovery	(49,000)	-
Acquisition costs related to expired claims	49,500	-
Change in non-cash working capital items:		
HST receivable	(24,376)	(683)
Prepaid expenses and deposit	(3,516)	9,425
Accounts payable and accrued liabilities	(52,960)	98,101
Net cash used in operating activities	**(470,100)**	**(65,611)**
Cash flows from investing activities:		
Acquisition of mineral properties	-	-
Net cash used in investing activities	**-**	**-**
Cash flows provided by (used in) financing activities:		
Advances from shareholder	27,520	28,820
Private placement of units	419,000	81,000
Share issue costs	(6,113)	(5,035)
Net cash provided by financing activities	**440,407**	**104,785**
Increase (decrease) in cash and cash equivalents during the year	(29,693)	39,174
Cash and cash equivalents, beginning of year	41,936	2,222
Cash and cash equivalents, end of year	**$ 11,703**	**$ 41,396**

Supplemental cash flow information

	October 31, 2020	October 31, 2019
Cash paid during the year for:		
Interest	$ -	$ -
Income taxes	-	-

The accompanying notes are an integral part of these financial statements

1. NATURE OF BUSINESS AND GOING CONCERN

Copper Lake Resources Ltd. (the "Company" or "Copper Lake") 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.

The Company is a mineral exploration company focused on acquiring, exploring and developing exploration and evaluation assets in Canada. The Company has not yet determined whether these properties contain mineral reserves that are economically recoverable.

These financial statements have been prepared on the basis of generally accepted 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 material uncertainties cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of generally accepted accounting principles applicable to a going concern.

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 carrying values of assets and liabilities, the reported expenses and statement of financial position classifications that might be necessary should the Company be unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. 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.

Impact of COVID-19

In March 2020, the World Health Organization declared a world-wide pandemic ("COVID-19") resulting from the outbreak of a new coronavirus called SARS-CoV-2. Many countries have enacted emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, temporary restrictions on non-essential business, self-imposed or mandatory quarantine periods and social distancing have caused material disruption to business globally, resulting in economic slowdown in many sectors. At October 31, 2020, management has determined that the Company's ability to execute its medium and long term plans is not materially impacted. However, the full extent of the impact that COVID-19 may have on the Company will depend on future developments that are highly uncertain and that cannot be predicted with confidence. Management is closely monitoring the impact of the pandemic on all aspects of its business.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are based on IFRS issued and effective as of November 1, 2019.

The financial statements of the Company for the year ended October 31, 2020 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on February 24, 2021.

2. BASIS OF PREPARATION *(Continued)*

Basis of measurement

The financial statements have been prepared on the historical cost basis.

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.

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 estimate 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 at 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.

2. BASIS OF PREPARATION *(Continued)*

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.

3. SIGNIFICANT ACCOUNTING POLICIES

The following are a list of significant accounting policies used by the Company.

a) Cash and cash equivalents

Cash and cash equivalents includes highly liquid instruments with original maturities of 90 days or less and that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company did not hold any cash equivalents at October 31, 2020 and 2019.

b) Mineral property interests

The initial acquisition costs of mineral properties are capitalized as exploration and evaluation interests on a project-by-project basis, pending determination of the technical feasibility and the commercial viability of the project. Acquisition costs include cash and fair value of shares paid, liabilities assumed, and associated legal costs paid to acquire the interest, whether by option, purchase, staking or otherwise. Costs of investigation incurred before the Company has obtained the legal right to explore an area are recognized in the statement of loss.

Exploration and evaluation expenses are comprised of costs that are directly attributable to:

- researching and analyzing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- evaluating the technical feasibility and commercial viability of extracting a mineral resource.

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable reserves. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved, the capitalized mineral property interest for that project, and subsequent costs incurred for the development of that project, are capitalized as mining properties, subject to an impairment test and is included as a component of property, plant and equipment.

All mineral property interests are monitored for indications of impairment at each financial position reporting date. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that acquisition costs are not expected to be recovered, it is charged to the results of operations.

Although the Company has taken steps to verify the title to mineral property interests in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

c) Financial instruments

Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets include cash and cash equivalents and are classified as amortized cost because the Company's business model is to hold these financial instruments to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Financial liabilities include accounts payable and accrued liabilities, convertible debentures and advances from shareholders and are initially measured at fair value and subsequently classified as amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

d) Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss and comprehensive loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of loss and comprehensive loss.

e) Convertible debentures

Convertible debentures can be converted to equity units at the option of the holder and the number of equity units to be issued is fixed based on the contractual terms of the instrument. The liability component of the convertible debenture is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component, consisting of common shares and warrants, is recognized initially as the difference between the fair value of the convertible debenture as a whole and the fair value of the liability component. Any transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of the convertible debenture is measured at amortized cost using the effective interest method. The equity component is not re-measured subsequent to initial recognition.

f) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

g) Unit offerings

The Company uses the residual method to value shares and warrants, whereby proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

h) Flow-through shares:

The Company will from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through shares into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. This is referred to as the residual value method.

Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

3. SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration and expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with the Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

i) Share based payment transactions

The Company's stock option plan allows employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Share-based payments to non-employees are measured at the fair value of the goods or services received or at the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

For the options granted to employees, the fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. The fair value of the options is accrued and charged to operations with the offset credit to share-based payments reserve, over the vesting period. If and when the stock options are exercised, the applicable amounts from share-based payments reserve are transferred to capital stock.

The Black-Scholes option valuation model used by the Company to determine fair values of options and similar financial instruments requires the input of highly subjective assumptions including future stock volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect the fair value estimate.

j) Loss per share

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. The dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants and similar instruments and the conversion of outstanding convertible debt. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options, warrants and convertible debt that would be anti-dilutive.

k) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

3. SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it will not be recognized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Initial Adoption and Upcoming Changes in Accounting Standards

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.

4. MINERAL PROPERTY INTERESTS

Marshall Lake Property

The Company entered into an option agreement dated July 6, 2010 with Rainy Mountain Royalty Corp. ("Rainy Mountain") and Marshall Lake Mining Limited ("MLMP") of London, England, whereby the Company was granted an option to earn up to a 50% interest in certain mining claims that comprise the Marshall Lake property located north-northeast of Thunder Bay, Ontario.

(Expressed in Canadian dollars)

4. MINERAL PROPERTY INTERESTS *(Continued)*

On May 5, 2016 the Company announced that it had reached an agreement to acquire the interest in the Marshall Lake property currently held by MLMP, a privately held company based in the United Kingdom. The acquisition subsequently closed on September 29, 2016. This acquisition gave Copper Lake a 68.75% interest in the property. As a result of the acquisition, the Company could earn a 75% interest by incurring cumulative expenditures of $4,000,000 on the property by July 15, 2018. Prior to July 15, 2018, the Company had incurred cumulative expenditures of $4,163,076 and completed the 75% earn-in. The Company now has the option to increase its interest to 87.5% by incurring such additional property expenditures as are necessary to take the Marshall Lake property to a bankable feasibility stage.

During the current year, the Company amended the underlying joint venture agreement with Rainy Mountain to remove Copper Lake's right to participate in future mineral properties acquired by Rainy Mountain. Copper Lake received $25,000 as compensation for this amendment, and recorded this amount in the income statement.

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 are Rainy Mountain and White Metals Resources Corp. ("White Metals"). The property is located north of Thunder Bay, Ontario and the Company is the operator. Joint venture expenditures are being recorded by each joint venture partner on a cash call basis and as a result of the programs completed by the Company on the Norton West Property, the Company had a 57.6% interest in the Norton West Property (with Rainy Mountain having a 32.6% interest and White Metals having a 9.8% 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 has 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 remainder of White Metals' 9.09% interest in the Norton Lake property, thus increasing its ownership position to 69.79%.

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.

Northwestern Ontario Gold Properties

On March 7, 2017, the Company announced that it had entered into a mineral property option agreement to acquire up to 100% of four separate properties. The properties are situated in the Kenora and Patricia mining divisions in Northwestern Ontario and are known as the Queen Alexandra Gold Property, the Mine Lake Gold Property, the Grand Chibougamau Gold Property and the Centrefire Redhat Gold-Copper Property, collectively the NWO Gold Properties.

During 2020, the claims relating to Queen Alexandra, Mine Lake and Grand Chibougamau properties were allowed to lapse. As a result, acquisition costs in the amount of $49,500 were written off. The Company retains a 25% interest in the Centrefire Redhat gold-copper property which will be subject to a joint venture agreement.

The Company's acquisition costs on the mineral property interests are as follows:

	Marshall Lake Property	Norton Lake Property	NWO Gold Properties	Total
Balance, October 31, 2018 and 2019	**$ 2,548,862**	**$ -**	**$ 66,000**	**$ 2,614,862**
Acquisition costs related to lapsed claims	-	-	(49,500)	(49,500)
Balance, October 31, 2020	**$ 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.

(Expressed in Canadian dollars)

4. MINERAL PROPERTY INTERESTS *(Continued)*

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 on the Marshall Lake property, are as follows:

For the year ended October 31, 2020	Marshall Lake Property	Norton Lake Property	NWO Gold Properties	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
Expenditures for the year	**265,337**	**-**	**-**	**265,337**
Cumulative balance - October 31, 2019	4,040,141	840,784	22,294	4,903,219
Balance, October 31, 2020	**$ 4,305,478**	**$ 840,784**	**22,294**	**$ 5,168,556**

For the year ended October 31, 2019	Marshall Lake Property	Norton Lake Property	NWO Gold Properties	Total
Advance royalty payments	12,500	-	-	12,500
Claims management	777	-		777
Geological and geophysical	15,810	-	-	15,810
Property taxes and lease rent	3,225	-	-	3,225
Reports	14,920	-	-	14,920
Storage	2,475	-	-	2,475
Expenditures for the year	**49,707**	**-**	**-**	**49,707**
Cumulative balance - October 31, 2018	3,990,434	840,784	22,294	4,853,512
Cumulative balance - October 31, 2019	**$4,040,141**	**$ 840,784**	**22,294**	**$ 4,903,219**

The cumulative balance is net of cumulative JEAP grants in the amount of $172,642 received in prior years.

5. CONVERTIBLE DEBENTURES

	Principal Amount	Liability Component	Equity Component
Balance October 31, 2018	**$ 112,500**	**$ 90,638**	**$ 35,890**
Accretion	-	8,540	-
Balance October 31, 2019	**$ 112,500**	**$ 99,178**	**$ 35,890**
Accretion	-	10,733	-
Balance October 31, 2020	**$ 112,500**	**$ 109,911**	**$ 35,890**

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, maturing on April 28, 2021. At the date of issue $285,845 was allocated to the liability component of the convertible debenture and the residual amount of $134,155 was allocated to the equity component, based on an effective interest rate of 20%.

5. CONVERTIBLE DEBENTURES *(Continued)*

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.

In April 2017, debentures with a face value of $307,500 were converted into shares and warrants, leaving $112,500 of convertible debentures outstanding.

6. CAPITAL STOCK

The common shares of the Company entitle the holder to one vote per share at meetings of the shareholders of the Company, and upon dissolution or any other distribution of assets, to receive pro rata such assets of the Company as are distributable to the holders of common shares.

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

During the year ended October 31, 2020, the Company completed the following share transactions:

a) In December 2019, the Company closed the first tranche of a private placement, raising $274,500 through the issuance of 6,500,000 flow-through units ("FT Units") at a price of $0.020 per FT Unit and 9, 633,333 non flow-through units ("NFT Units") at a price of $0.015 per NFT Unit. Each FT unit consists of one flow-through common share and one common share purchase warrant, with each warrant being exercisable at $0.05 for two years. Each NFT Unit consists of one common share and one common share purchase warrant, with each warrant being exercisable at $0.05 for two years.

b) In February 2020, the Company closed the second and final tranche of the private placement through the issuance of 600,000 ("FT Units") at a price of $0.020 per FT Unit raising $12,000, resulting in an aggregate of $286,500 raised under the financing.

   In connection with the private placement, the Company paid finders' fees of $4,200 and issued 322,0000 broker 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 $0.05 for a period of 24 months from the closing date. The warrants were valued determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate – 2.15%; expected life in years – 2; expected volatility 107%; and expected forfeiture rate – 0%. Expected volatility was based on the historical volatility of the Company's share price. The value allocated to the warrants was $1,578. A flow-through premium of $37,500 was recognized on the flow-through shares issued.

c) On May 8, 2020 the Company closed a non-brokered private placement (the "Offering") for aggregate gross proceeds of $132,500 and issued 3,000,000 flow-through units ("FT Units") at a price of $0.020 per FT Unit and 4,833,332 non flow-through units ("NFT Units") at a price of $0.015 per Unit. Each FT Unit will consist of one flow-through common share and one full common share purchase warrant (a "Warrant"), with each Warrant being exercisable at $0.05 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 $0.05 for two years.

During the year ended October 31, 2019, the Company completed the following share transactions:

a) On June 18, 2019, the Company announced the closing of the first tranche of the private placement for aggregate gross proceeds of $81,000 by way of the issuance and sale of 2,300,000 flow-through units ("FT Units") at a price of $0.025 per FT Unit, and 1,175,000 non flow-through units ("NFT Units") at a price of $0.02 per NFT Unit. Each FT Unit consists of one flow-through common share and one common share purchase warrant (a "Warrant"), with each Warrant being exercisable at $0.05 for two years. Each NFT unit consists of one common share and one Warrant. The Company recorded a flow-through premium of $11,500 on the issuance.

   In connection with the closing of the Offering, the Company paid finders' fees of $4,130 and issued 166,250 non-transferrable units ("Finder's Units") to certain arm's length finders. Each Finder's Unit includes one common share and entitles the holder to acquire one additional common share at a price of $0.05 for a period of 24 months from the closing date. The warrants were valued determined using the Black-Scholes valuation model and the

(Expressed in Canadian dollars)

6. CAPITAL STOCK *(Continued)*

following assumptions: risk free interest rate – 2.0%; expected life in years – 2; expected volatility 97%; and expected forfeiture rate – 0%. Expected volatility was based on the historical volatility of the Company's share price. The value allocated to the warrants was $1,247.

The Company has reclassified certain amounts within equity relating to common share options and warrants that expired during the year by transferring amounts from reserves to deficit. During the year ended October 31, 2020, the amount transferred from reserves to deficit was $56,954 (2019 - $106,543).

Share Purchase Warrants

Share purchase warrant transactions are summarized for the years ended as at October 31, 2020 and 2019:

	October 31, 2020			**October 31, 2019**		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Opening balance	25,872,186	$	0.067	22,230,936	$	0.078
Issued	24,888,665		0.050	3,641,250		0.094
Expired	(13,796,863)		0.085	-		-
Ending balance	36,963,988	$	0.050	25,872,186	$	0.067
Warrants exercisable	**36,963,988**	**$**	**0.050**	**25,872,186**	**$**	**0.067**

As at October 31, 2020 the following share purchase warrants were outstanding:

	Number of Warrants		
Expiry Date	**2020**	**2019**	**Exercise Price**
September 29, 2020	-	4,570,363	0.055
April 27, 2021	6,150,000	6,150,000	0.050
July 5, 2021	490,800	490,800	0.050
September 26, 2021	1,793,273	1,793,273	0.055
December 28, 2019	-	3,500,000	0.100
February 28, 2020	-	2,750,000	0.100
February 28, 2020	-	2,910,000	0.080
February 28, 2020	-	66,500	0.100
June 18, 2021	3,641,250	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
Outstanding and exercisable	**36,963,988**	**25,872,186**	**$ 0.050**

Stock 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 options can be granted for a maximum term of five years. Options granted to investor relations consultants are subject to vesting provisions, as established by regulatory authorities, over a twelve-month period, with no more than ¼ vesting during any three-month period. Vesting provisions for other options are determined by the Company's Board of Directors.

During the year ended October 31, 2020 the Company granted 3,500,000 (2019 – 1,100,000) stock options to its officers, directors and consultants, with a weighted average exercise price of $0.05. The estimated weighted average grant date fair value of the options was $0.0133 per option, as determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate – 2.0%; expected life in years – 5; expected volatility 110%; dividend rate of nil; and expected forfeiture rate – 0%. Expected volatility was based on the historical volatility of the Company's share price.

(Expressed in Canadian dollars)

6. CAPITAL STOCK *(Continued)*

The following options were outstanding as at October 31, 2020 and 2019:

	2020		2019	
	Number of Options	Weighted Ave Exercise Price	Number of Options	Weighted Ave Exercise Price
Opening balance	8,000,000	0.052	9,700,000	0.051
Granted	3,500,000	0.050	1,100,000	0.050
Expired	(1,850,000)	0.050	(2,800,000)	0.050
Ending balance	9,650,000	$0.051	8,000,000	$0.052
Options exercisable	**9,650,000**	**$0.051**	**7,625,000**	**$0.052**

	Number of Options		
Expiry Date	**2020**	**2019**	Exercise Price
April 6, 2021	1,000,000	1,500,000	0.050
July 29, 2021	1,500,000	1,750,000	0.050
September 29, 2021	1,000,000	1,000,000	0.055
January 18, 2023	1,550,000	1,900,000	0.050
March 2, 2020	-	500,000	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	-	0.050
December 13, 2024	1,000,000	-	0.050
April 28, 2025	500,000	-	0.050
Outstanding	**9,650,000**	**8,000,000**	**$ 0.052**
Weighted average remaining life	3.50 years	2.43 years	

Share-based compensation

During the year ended October 31, 2020, the Company recognized $46,550 (2019 - $10,390) as share-based compensation expense for options vested during the period.

7. RELATED PARTY TRANSACTIONS

The following are related party transactions that have occurred during the year ended October 31, 2020 which have not yet otherwise been disclosed herein.

The Company paid or accrued the following amounts to directors, companies controlled by directors or companies having common directors:

	2020	2019
Interest on convertible debentures	$ -	$ 6,000

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 or accrued to these key management personnel for the years ended October 31, 2019 and 2018 is outlined below:

	2020	2019
Consulting fees	$ 24,000	$ 24,000
Share-based compensation	46,550	-
	$ 70,550	$ 24,000

7. RELATED PARTY TRANSACTIONS *(Continued)*

Included in accounts payable and accrued liabilities as at October 31, 2020 is $121,711 (2019 - $99,270) owed to directors, companies controlled by former directors or companies having certain directors in common.

The advances from shareholder at October 31, 2020 in the amount of $56,340 (2019 - $28,820) were advanced by a director and are non-interest bearing and have no terms of repayment.

8. COMMITMENTS

The Company currently has no commitments.

9. CAPITAL MANAGEMENT

The Company defines its capital under management as shareholders' equity, the balance of which was $2,125,434 at October 31, 2020 (2018 - $2,150,528). 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 year ended October 31, 2020. The Company is not subject to externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS

Fair value

Except as disclosed elsewhere in these financial statements, the carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items. Convertible bonds are valued at amortized cost which approximates their fair value.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of potential 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.

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 October 31, 2020, the Company had current liabilities of $483,806 (2019 - $410,835).

Based on the current funds held, the Company will need to rely upon financing from shareholders and/or debt holders to obtain sufficient working capital. There is no assurance that such financing will be available on terms and conditions acceptable to the Company. See Notes 1 and 13.

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS *(Continued)*

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 exchange rate volatility.

11. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2020	2019
Net loss for the year	$ (447,031)	$ (191,924)
Expected income tax recovery at 26.5%	$ (118,463)	$ (50,860)
Share based compensation	12,336	2,896
Flow-through share premium recovery	(12,985)	-
Change in tax loss benefits not recognized	119,112	47,964
Income tax recovery (expense)	$ -	$ -

The significant components of the Company's unrecognized temporary differences, including unused tax credits and unused tax losses are as follows:

	2020	2019
Temporary differences:		
Canadian eligible capital (CEC)	$ 26,028	$ 26,028
Cumulative Canadian exploration expenses	36,567	30,730
Cumulative Canadian development expenses	1,023,600	974,100
Foreign exploration and development expenses	270,213	270,213
Earned depletion base	130,006	130,006
Non-capital losses available for future periods	8,801,780	8,711,352

As at October 31, 2020, the Company has non-capital losses of $8,801,780 (2019 - $8,711,352) available to reduce taxable income in future years which expire in years over the period from 2025 to 2040. The benefits of these available tax losses and tax assets have not been recognized in the financial statements.

During the current fiscal year, the Company recorded expenditures in the amount of $265,337 (2019 - $30,730) that qualify as Canadian Exploration Expenditures ("CEE") under the Income Tax Act (Canada) and renounced CEE expenditures in the amount of $259,500 with an effective date of December 31, 2020 (2019 - $nil). The Company has no remaining renunciation commitment.

12. SEGMENTED INFORMATION

The Company currently has one business segment and operates in the mineral exploration business in Canada.

13. CONTINGENCY

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 year ended October 31, 2020.