



**COPPER LAKE**  
RESOURCES LTD

**Management's Discussion and Analysis**

**Nine Months Ended July 31, 2016**

Contact Information :

**Copper Lake Resources Ltd.**

501 Alliance Avenue, Suite 401

Toronto, ON M6N 2J1

Contact Person: Mr. Terrence MacDonald, CEO

Email: [info@copperlakeresources.com](mailto:info@copperlakeresources.com)

# **COPPER LAKE RESOURCES LTD.**

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

**July 31, 2016**

---

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **NINE MONTHS ENDED JULY 31, 2016**

*The following Management Discussion and Analysis ("MD&A") of the financial condition and results of operations of Copper Lake Resources Ltd. ("Copper Lake" or the "Company") was prepared by management as at September 27, 2016 and was reviewed and approved by the Audit Committee. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited annual financial statements of Copper Lake Resources Ltd. and notes thereto for the year ended October 31, 2015. The information provided herein supplements but does not form part of the financial statements. All amounts are stated in Canadian dollars unless otherwise indicated. Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).*

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

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

# **COPPER LAKE RESOURCES LTD.**

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

**July 31, 2016**

---

### **Company Overview and Going Concern**

Copper Lake is engaged in the exploration, evaluation and development of mineral properties in Canada. The Company's primary focus is the continued exploration and development of its two properties in Ontario, the Marshall Lake property and the Norton Lake property. The registered address of the Company is 501 Alliance Avenue – Suite 401, Toronto, Ontario M6N 2J1.

The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol "CPL". The Company also trades on the Frankfurt Exchange under the symbol "W0I".

The current adverse market conditions for commodities and resource companies is a significant obstacle to the Company's ability to raise funds to advance its business. Nevertheless, the Company's properties are located in Canada where the legal and economic frameworks are favorable to the mining industry.

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

### **Board and Management Changes**

The Company has gone through a number of changes over the last year. As announced on March 1, 2016 three new directors were appointed to the Board of Directors: Gary O'Connor and Edward Yurkowski, who represent the Company's two largest shareholders, Dundee Corp. and Prairie Enterprises (Alberta) Inc. respectively, and David Speck, who was appointed as CFO. Terrence MacDonald, a director since June 2015, has been appointed as Interim CEO. On April 6, 2016 David Speck resigned as a director and as CFO, and Dr. Elliot Strashin was appointed as Interim CEO. On August 8, 2016 Lisa Korinek was appointed as CFO to replace Dr. Elliot Strashin. Dr. Strashin will continue to assist the Company as a consultant.

After this recent restructuring of the Board and management, the Company will focus on restructuring its balance sheet and procuring financing to advance its projects. To that end, the Company announced and completed a convertible debenture financing for proceeds of \$420,000 in April 2016. On August 8, 2016 the Company announced a private placement to raise \$300,000 through the issuance flow-through and non flow-through units.

In addition, on May 5, 2016 the company announced that it had reached an agreement with Marshall Lake Mining Limited ("MLMP") to acquire the 31.25% interest in the Marshall Lake property currently held by MLMP. This acquisition will give Copper Lake a 68.75% interest in the Marshall Lake 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. The acquisition was approved by shareholders at the Annual General and Special Meeting held on July 26, 2016 and received regulatory approval on September 19, 2016.

# **COPPER LAKE RESOURCES LTD.**

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

**July 31, 2016**

---

### **EXPLORATION AND EVALUATION ASSETS**

#### **Realization of assets**

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

#### **Environmental**

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

#### **Title to exploration and evaluation assets**

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

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

# COPPER LAKE RESOURCES LTD.

## Management's Discussion and Analysis

July 31, 2016

### Exploration Programs

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

The technical information regarding the Company's currently active projects referred to herein has been reviewed and approved by Gary O'Connor MAusIMM, who is acting as the Company's Qualified Person in accordance with regulations under NI 43-101.

The Company's expenditures on exploration and evaluation assets are as follows:

	Norton Lake Property	Marshall Lake Property	TOTAL
<b>Balance, October 31, 2014</b>	<b>1,119,864</b>	<b>3,283,789</b>	<b>4,403,653</b>
Acquisition costs	100,000	75,000	175,000
Expenditures for the year			
Geological and geophysical	-	65,000	65,000
Storage	-	247	247
Travel	-	3,093	3,093
Total expenditures for the year	100,000	143,340	243,340
Impairment charge	(1,219,863)	-	(1,219,863)
<b>Balance, October 31, 2015</b>	<b>1</b>	<b>3,427,129</b>	<b>3,427,130</b>
Acquisition costs	-	-	-
Expenditures for the period			
Assays	-	605	605
Geological and geophysical	-	20,516	20,516
Reports	-	24,597	24,597
Claims and staking	-	15,920	15,920
Total expenditures for the period	-	61,638	61,638
<b>Balance, July 31, 2016</b>	<b>\$ 1</b>	<b>\$3,488,767</b>	<b>\$3,488,768</b>

### Mineral Properties:

#### Norton Lake Property

The Company entered into a Joint Venture Assignment Agreement dated on January 21, 2009 with Cascadia International Resources Inc. of Calgary, Alberta ("Cascadia"), pursuant to which Cascadia assigned its 51% joint venture interest in the Norton Lake Property to the Company for the sum of \$300,000. The other joint venture partners are Rainy Mountain Royalty Corp. ("Rainy Mountain") of West Vancouver, British Columbia and White Metals Resources Corp. formerly, (Trillium North Minerals Ltd. ("Trillium")) of Toronto, Ontario. The Property is located 450 km north of Thunder Bay, Ontario on the south margin of the "Ring of Fire" exploration region and consists of 32 claims covering approximately 8,800 hectares. Since 2001, over \$3 million has been spent on the

# COPPER LAKE RESOURCES LTD.

## Management's Discussion and Analysis

July 31, 2016

---

Property, including the completion of 44 core holes. The Norton Lake Project consists of two properties, namely, the Norton West Property (the principal property) and the Norton East Property. Joint venture expenditures are being recorded by each joint venture partner on a cash basis and as a result of the programs completed by the Company on the Norton West Property, the Company had a 60.70% interest in the Norton West Property (with Rainy Mountain having a 30.21% interest and Trillium having a 9.09% interest) and a 51% interest in the Norton East Property (with Rainy Mountain having a 9.8% interest and Trillium having a 39.2% interest). By agreement dated February 21, 2012, the Company, Rainy Mountain and Trillium 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 Trillium having a 9.09% interest). On June 29, 2015, the Company announced that it had acquired the 9.09% interest held by White Metals, thus increasing its interest in the property to 69.79%.

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

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

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

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

The technical information regarding the Norton Lake Property project referred to herein was reviewed and approved by the Company's Qualified Person. Gary O'Connor, MAusIMM, is acting as the Company's Qualified Person in accordance with regulations under NI 43-101.

The Company incurred exploration and acquisition costs as follows:

- for the year ended October 31, 2014 \$614;
- for the year ended October 31, 2015 \$100,000;
- for the nine months ended July 31, 2016 \$nil; and
- as at July 31, 2016 the Company had incurred a total of \$1,219,864 in exploration and acquisition costs.

### Current status:

At October 31, 2015 management performed an impairment assessment as indicators of impairment were identified. Specifically, as property lies within the Ring of Fire region of Ontario and the Company currently has limited access to the property, the Company has not done any significant work on the property for the last two years and has not

# **COPPER LAKE RESOURCES LTD.**

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

**July 31, 2016**

---

budgeted to perform additional work on the property. As a result, the Company has recorded an impairment charge and has written the property down to \$1. Should access become available the Company will review the known exploration potential already identified at the Norton Lake deposit and develop a program to test this.

On June 29, 2015 the Company announced that it had acquired an additional 9.09% interest in its Norton Lake property and issued 2,000,000 shares from treasury as consideration. The Company currently holds a 69.79% interest in the property.

### **Marshall Lake Property**

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

On May 5, 2016 the company announced that it had reached an agreement with MLMP to acquire the 31.25% interest in the Marshall Lake property currently held by MLMP. 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.

On July 16, 2015 the Company announced that it had reached an agreement to extend its earn-in option on the Marshall Lake property until July 15, 2017, and issued 500,000 common shares to each of Rainy Mountain and MLMP (1,000,000 common shares in total) as consideration. Copper Lake can earn up to a 50% interest by spending a cumulative total of \$4,000,000 in expenditures by July 15, 2017. The Company has incurred cumulative expenditures of \$3,180,627 as of July 31, 2016.

The Marshall Lake project is located in the eastern portion of the Wabigoon Subprovince, and is underlain by rocks of the Marshall assemblage, which may represent a continental margin sequence built on the Mesoarchean Winnipeg River terrane. The Marshall assemblage is composed of a thick sequence of calc-alkalic dacite lavas and pyroclastic deposits that wrap around the synvolcanic Summit pluton. The Marshall Lake property has been explored since the 1954 discovery of Cu-Zn mineralization at the Teck Hill occurrence south of Gripp Lake. Numerous occurrences of base metal mineralization are present in the Marshall Lake area, which are described as strata-bound Cu-Zn-Ag-Pb sulphides hosted in an intermediate to felsic volcanoclastic, resulting in the classification of the mineralization as a volcanogenic massive sulphide system. The best explored occurrences are the sulphide disseminations in thin metamorphic garnetiferous-amphibolite lenses, as observed at the Teck and Billiton showings

# **COPPER LAKE RESOURCES LTD.**

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

**July 31, 2016**

---

where the Marshall Mineralized Band has been mapped. Some 487 historical and generally shallow drill holes have been located in the area testing the numerous mineralized outcrops.

Since July 2010, the Company, as optionee and operator, has drilled and completed 37 core drill holes (totaling over 7,000 metres). Additionally, the Company has conducted prospecting and sampling on the property and has also carried out ground IP (induced polarization) and geological mapping of specific areas of interest. No current mineral resource has been estimated for the Marshall Lake property.

Thomas R. Hart, P.Geo., is acting as the Company's Qualified Person in accordance with regulations under NI 43-101.

The Company incurred exploration and acquisition costs as follows:

- for the year ended October 31, 2014 \$135,955;
- for the year ended October 31, 2015 \$143,340;
- for the nine months ended July 31, 2016 \$61,638; and
- as at July 31, 2016, the Company had incurred a total of \$3,488,767 in exploration and acquisition costs.

### **Current status:**

A recent geological re-interpretation of the Marshall Lake area incorporating numerous historical company interpretations, government mapping, regional geophysics, and historical detailed geophysics provides a model for the Marshall Lake property that presents a coherent geological model for the numerous mineral occurrences located on the property. The new geological interpretation presents new exploration potential along strike of the Mineralized Band to the southwest. The correlation of the various mineralized zones to the same stratigraphic horizon brings a completely new way of understanding conductors present in the electromagnetic data.

The current program being performed by the Company on the Marshall Lake project involves the compilation of all historical drill holes (487 drill holes) and surface geochemical sampling data (~1775 surface samples) into one coherent database. For the drill holes, this includes all collar surveys, down hole surveys, major and minor logged geology, assays, mineralization, veins, structure and alteration. The compilation and interpretation of this data is nearing completion. In addition to the geological data compilation the data from the historical VTEM flown in 2007 (Geotech project 7024 from the core area and Geotech project 7083 from the greater area) has been sourced and is undergoing plate modelling to define the source of known VTEM anomalies. A systematic review will be completed of the plate anomalies generated to determine which have been drill tested and which contain untested potential.

## **PERFORMANCE SUMMARY**

The following is a summary of the significant events and transactions that occurred during the nine months ended July 31, 2016 and for the subsequent period to the report date:

### **Recent**

- On August 8, 2016 the Company announced a non-brokered private placement to raise \$300,000 through the issuance flow-through and non flow-through units, and on September 26, 2016 the Company announced that it had closed the financing for gross proceeds of \$392,000.
- On August 8, 2016 the Company announced that it had received approval as an applicant for the Junior Exploration Assistance Program sponsored by the Northern Ontario Heritage Fund Corporation and the Ontario



# **COPPER LAKE RESOURCES LTD.**

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

**July 31, 2016**

---

Prospectors Association. The Junior Exploration Assistance Program will provide Copper Lake with a rebate of up to 33.33% on approved exploration expenses on the Marshall Lake project, to a maximum of \$92,364.

- A new updated 43-101 technical report was completed for the Marshall Lake project dated June 07, 2016 by Thomas Hart, P. Geo. The new 43-101 technical report recommended that a compilation of historical data and review of the geophysical and geological targets be completed with the objective of defining additional targets for follow-up by diamond drilling with a total budget of \$3,000,000 recommended for the exploration program to test for significant VMS style mineralization.
- On May 5, 2016 the company announced that it had reached an agreement with MLMP to acquire the 31.25% interest in the Marshall Lake property currently held by MLMP. 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.
- April 28, 2016 the Company announced that it had closed its offering of an aggregate principle amount of \$400,000 of 12% convertible unsecured subordinated debentures in a non-brokered private placement. The offering was over-subscribed by an additional \$20,000 of the debentures, resulting in final aggregate gross proceeds of \$420,000.
- On April 12, 2016 the Company announced it intended to complete a non-brokered private placement of convertible debentures for up to \$400,000. The debentures will have a term of five years from the date of issue and will bear interest at 12% per annum and are convertible into units at the rate of \$0.05 per unit for the first year and at \$0.10 thereafter. Each unit is comprised of one common share and one common share warrant. 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 the issuance of the warrant, and (b) April 28, 2021. Debentures, units and shares issued pursuant to the exercise of warrants will be subject to a four month hold period from the date of issuance of the debentures in accordance with applicable securities laws and, if required, the policies of the TSX Venture Exchange.
- On April 11, 2016 the Company announced that the common shares of the Company had been approved for reinstatement of trading by the TSX Venture Exchange and the common shares resumed trading on April 12, 2016.
- On March 29, 2016 the Company submitted an application to the TSX Venture Exchange for reinstatement.
- On March 28, 2016 the Company filed its interim financial statements for the three months ended January 31, 2016 and its related Management's Discussion and Analysis and Chief Executive Officer and Chief Financial Officer certifications.
- On March 22, 2016 the British Columbia Securities Commission ordered the cease trade order issued on March 8, 2016 be revoked as it applies to Copper Lake Resources to permit trading in the securities of Copper Lake Resources.
- On March 8, 2016 the TSX Venture Exchange suspended trading in the Company's securities as a result of the cease trade order issued by the British Columbia Securities Commission. The cease trade order was issued due to the Company's inability to file its annual audited financial statements for the year ended October 31, 2015 and its related Management's Discussion and Analysis Chief Executive Officer and Chief Financial Officer certifications by the prescribed filing deadline of February 29, 2016.

# COPPER LAKE RESOURCES LTD.

## Management's Discussion and Analysis

July 31, 2016

---

- On March 4, 2016 the Company was issued a Cease Trade Order by the British Columbia Securities Commission as a result of the Company's failure to file its Annual Financial Statements and Management's Discussion and Analysis by the February 29, 2016 filing date.
- On March 1, 2016, Gary O'Connor, David Speck and Edward Yurkowski were appointed as Directors, Terrence MacDonald was appointed as Interim Chief Executive Officer and David Speck was appointed as Chief Financial Officer.
- On February 29, 2016, Ronald Coombes and John Kowalchuk resigned as Directors of the Company and Ronald Coombes resigned as President and Chief Executive Officer.
- On February 15, 2016, Malcolm Bell resigned as a Director of the Company and Kim Evans resigned as Chief Financial Officer.
- On January 14, 2016 the Company announced that it had closed its previously announced non-brokered private placement having issued 198,000 units at \$0.05 per unit for gross proceeds of \$9,900.
- On December 3, 2016 Terrence MacDonald resigned as Chief Financial Officer and the Company appointed Kim Evans as Chief Financial Officer.
- On November 27, 2015 the Company announced that it had completed a debt settlement with Prairie Enterprises (Alberta) Inc. whereby the company issued 7,000,000 shares and 900,000 warrants to settle outstanding debt in the amount of \$396,692. Each warrant is exercisable to purchase one share at \$0.10 for 18 months from the date of issue.
- On November 4, 2015, Ronald Coombes was appointed as a Director of the Company.
- On November 1, 2015 the Company entered into a one-year consulting agreement with Coombes & Sons Administration Inc., a company controlled by Ronald Coombes who is a director and officer of the Company, to provide services as a cost of \$10,000 per month.

## SELECTED ANNUAL INFORMATION

Comparative information for annual periods from October 31, 2015, 2014 and 2013 has been presented in accordance with IFRS.

	Year Ended October 31, 2015	Year Ended October 31, 2014	Year Ended October 31, 2013
Revenues	\$ -	\$ -	\$ -
Operating expense	261,789	372,231	830,726
Net income (loss)	(1,481,652)	23,232	(827,782)
Basic and diluted loss per share	(0.04)	0.00	(0.02)
Total assets	3,449,531	4,455,944	4,302,350

## Results of Operations

The following discussion addresses the operating results and financial condition of the Company for the year ended October 31, 2015 compared with the year ended October 31, 2014. The MD&A should be read in conjunction with the Company's audited financial statements and the accompanying notes for the year ended October 31, 2015.

# **COPPER LAKE RESOURCES LTD.**

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

**July 31, 2016**

---

### **Results of operations for the year ended October 31, 2015 as compared to the year ended October 31, 2014**

The Company reported a net loss for the year ended October 31, 2015 of \$1,481,652 compared to a net income of \$23,232 for the prior year period for a change of \$1,504,884. The current year included an impairment charge on its Norton Lake property in the amount of \$1,219,863 whereas the prior year period included a one-time gain on settlement of liabilities due to related parties in the amount of \$395,341. Without this gain, the prior period result is a loss from operations of \$372,109. The loss from operations in the current year of \$261,789 decreased from the prior year by \$110,442 due largely to reduced management fees, professional fees, rent and wages and benefits. Much of the decrease in expenses management fees and professional fees is due to a change in management in July 2014.

### **LIQUIDITY AND CAPITAL RESOURCES**

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

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

The Company anticipates spending capital resources on exploration in the next twelve months on its Marshall Lake property. The Company requires further funding to cover the Company's next phase of exploration, and general and administrative expenses. The Company assesses its financing requirements and its ability to access equity or debt markets on an ongoing basis. The assessment considers: the stage and success of the Company's evaluation activities to date; the continued participation of the Company's larger investors; and financial market conditions.

Net cash used in operating activities for the nine months ended July 31, 2016 was \$409,085 compared to \$147,174 for the nine months ended July 31, 2015, consisting of the loss for the period and the change in non-cash items.

The company incurred exploration and evaluation expenditures in the amount of \$61,638 during the nine months ended July 31, 2016.

Net cash provided by financing activities for the nine months ended July 31, 2016 was \$460,240 and consisted mainly of proceeds from the issuance of convertible debentures of \$420,000.

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

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

Subsequent to July 31, 2016 the Company announced a non-brokered private placement of flow-through units ('FT Units') and non flow-through units ('NFT Units') to raise gross proceeds of up to \$300,000. Each FT Unit will be

## **COPPER LAKE RESOURCES LTD.**

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

**July 31, 2016**

---

issued at \$0.06 and will consist of one non flow-through common share and one full common share purchase warrant, with each full common share purchase warrant being exercisable at \$0.15 for two years. Each NFT Unit will be issued at \$0.06 and will consist of one flow-through common share and one-half of one common share purchase warrant, with each full common share purchase warrant being exercisable at \$0.15 for two years. The common shares comprising the FT and NFT Units and the common shares issuable upon exercise of the common share purchase warrants will be subject to a four month hold period, commencing on the closing date, being the issuance of the Units. The share purchase warrants will be subject to the right of the Company to accelerate the exercise if the shares of the Company trade at or above \$0.25 for a period of ten consecutive trading days.

On September 13, 2016 the Company announced that it had received conditional approval for the non-brokered private placement and had closed the first tranche of the financing for total gross proceeds of \$238,000.

On September 26, 2016 the Company announced that it had closed the second and final tranche of the financing and, subject to regulatory approval, will issue 2,483,332 NFT Units at a price of \$0.06 and 4,049,997 FT Units at a price of \$0.06 for total gross proceeds of \$392,000.

Subject to regulatory approval the Company will pay a total of \$9,920 in finder's fees and issue 98,666 broker warrants, with each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.15 per share for 24 months from closing.

### **OFF BALANCE SHEET ARRANGEMENTS**

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

### **PROPOSED TRANSACTIONS**

Other than the previously mentioned acquisition of MLMP's 31.25% interest in the Marshall Lake property, the Company does not currently have any other proposed asset or business acquisitions or dispositions; however, the Company continues to seek new business opportunities to raise capital.

# COPPER LAKE RESOURCES LTD.

## Management's Discussion and Analysis

July 31, 2016

### SUMMARY OF QUARTERLY RESULTS

	July 31, 2016	April 30, 2016	January 31, 2016	October 31, 2015
Total assets	\$3,642,595	\$3,656,672	\$3,437,418	\$3,449,531
Exploration and evaluation assets	3,488,768	3,433,733	3,427,130	3,427,130
Working capital (deficit)	( 178,080)	( 59,533)	( 459,413)	( 782,848)
Shareholders' equity	3,018,954	3,090,812	2,970,134	2,646,739
Total revenue	-	-	-	-
Operating expenses, excluding share-based compensation	71,858	13,077	78,597	77,808
Share-based compensation	83,250	59,625	-	-
Net income (loss)	( 155,108)	( 72,702)	( 78,597)	( 1,142,055)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.04)

	July 31, 2015	April 30, 2015	January 31, 2015	October 31, 2014
Total assets	\$4,667,528	\$4,558,858	\$4,439,016	\$4,455,944
Exploration and evaluation assets	4,634,493	4,452,145	4,403,653	4,403,653
Working capital (deficit)	( 697,368)	( 596,619)	( 490,605)	( 432,547)
Shareholders' equity	3,939,582	3,857,983	3,915,505	3,973,563
Total revenue	-	-	-	-
Operating expenses, excluding share-based compensation	68,401	58,058	58,058	114,416
Share-based compensation	-	-	-	-
Net income (loss)	( 68,401)	( 58,058)	( 58,058)	( 116,984)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

Quarterly results will vary in accordance with the Company's exploration, financing and non-cash expenses such as share-based compensation and writing off of previously incurred exploration costs. The Company's professional fees will vary in each quarter depending on financing and property acquisitions. The impairment charge of \$1,219,863 in the fourth quarter of 2015 was the main factor in the quarterly loss of \$1,142,055. Otherwise the operating expenses have been reasonably consistent over the last four quarters. Cash operating expenses (total operating expenses less share-based compensation) declined to 13,077 in the current quarter due largely to a reduction in management fees.

### TRANSACTIONS WITH RELATED PARTIES

The Company paid or accrued the following costs incurred on transactions with the directors and officers and companies controlled by them:

	Three months ended July 31		Nine months ended July 31	
	2016	2015	2016	2015
Interest on loan	-	12,000	-	17,000
Interest on convertible debentures	6,351	-	6,351	-
Rent	-	3,781	1,000	8,011
	6,351	15,781	\$7,351	\$25,011

# COPPER LAKE RESOURCES LTD.

## Management's Discussion and Analysis

July 31, 2016

---

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 nine months ended July 31, 2016 shareholders who were also either a director or an officer advanced funds to the Company totaling \$35,340. The advances are unsecured, non-interest bearing and have no terms of repayment.

Directors and officers of the Company participated in the convertible debenture financing that closed on April 28, 2016 and subscribed to a total of \$205,500 out of the total issue of \$420,000.

### 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 to these key management personnel for the three and six months ended April 30, 2016 and 2015 is outlined below:

	Three months ended July 31		Nine months ended July 31	
	2016	2015	2016	2015
Management fees	-	26,050	53,500	53,800
Share-based compensation	83,250	-	142,875	-
	\$83,250	\$26,050	\$196,375	\$53,800

### COMMITMENTS

On November 1, 2015 the Company entered into a one-year consulting agreement with Coombes & Sons Administration Inc., a company controlled by Ronald Coombes who was 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.

### CAPITAL MANAGEMENT

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

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

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

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

# COPPER LAKE RESOURCES LTD.

## Management's Discussion and Analysis

July 31, 2016

---

There have been no changes to the Company's approach to capital management during the nine months ended July 31, 2016. The Company is not subject to externally imposed capital requirements.

### FINANCIAL INSTRUMENTS (MANAGEMENT OF FINANCIAL RISKS)

#### Credit risk

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

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

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

#### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At July 31, 2016, the Company had current liabilities of \$331,907 (October 31, 2015: \$802,792). The decrease is largely due to the debt settlement completed on December 10, 2015 and the payment of accounts payable using the proceeds from the issue of the convertible debentures in April, 2016.

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.

#### 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.

### OUTSTANDING SHARE DATA as at September 27, 2016:

a) Authorized:

Unlimited number of shares, without par value

b) Issued and outstanding:

54,799,615 common shares

c) Outstanding incentive stock options:

Expiry Date	Number of Options	Exercise Price
July 3, 2017	80,000	\$ 0.16
August 29, 2017	35,000	\$ 0.16
April 6, 2021	2,250,000	\$ 0.05
July 26, 2021	2,250,000	\$0.05
August 8, 2021	100,000	\$0.065
Outstanding and exercisable	4,715,000	

# **COPPER LAKE RESOURCES LTD.**

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

**July 31, 2016**

---

### d) Warrants

- 1,098,000 share purchase warrants, exercisable at \$0.10 for a period of 18 months: 900,000 from date of issue on December 10, 2015, and 198,000 from date of issuance on January 14, 2016;
- 4,606,996 share purchase warrants, exercisable at \$0.15 for a period of 24 months from date of issue on September 26, 2016.

## **RISKS AND UNCERTAINTIES**

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

### **Exploration and Mining Risks**

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

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

### **Financing**

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

### **Commodity Price**

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



# **COPPER LAKE RESOURCES LTD.**

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

**July 31, 2016**

---

### **Competition**

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

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

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

### **Conflicts**

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

### **Legal Proceedings**

The Company was named in a lawsuit filed in June 2016, by Ronald Coombes ("Coombes"), the former President and CEO and former director, who tendered his resignation as President, CEO and director of Copper Lake in February 2016. Coombes is seeking payment for amounts claimed to be owing for consulting fees and reimbursement of expenses and unspecified damages. He is also seeking damages for alleged termination of his consulting agreement. In conjunction with the lawsuit, a prejudgment garnish order was served on the Company which resulted in \$118,390 being held by the BC Supreme Court. The claims made by Coombes excluding damages total \$137,185. These amounts were recorded in the records of the Company while Coombes was President and CEO and remain on the books pending the outcome. The board of directors considers that the claim by Coombes has no merit and has retained legal counsel and filed a defence and a counterclaim in July 2016. Management is unable to determine the potential impact of the claim, if any, at the present time, and no provision has been booked for the lawsuit as at July 31, 2016.