



COPPER LAKE
RESOURCES LTD

Condensed Interim Financial Statements

**For the Three and Six Months Ended
April 30, 2022**

(Expressed in Canadian dollars)

Unaudited – Prepared by Management

Copper Lake Resources Ltd.

The accompanying unaudited condensed interim financial statements of Copper Lake Resources Ltd. for the three and six months ended April 30, 2022 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

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

Copper Lake Resources Ltd.
Condensed Interim Statements of Comprehensive Loss
For the Three and Six Months Ended April 30

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Three months ended April 30		Six months ended April 30	
		2022	2021	2022	2021
		\$	\$	\$	\$
Expenses					
Accretion of interest on convertible debentures		-	2,602	-	2,489
Acquisition costs related to expired claims		16,500	-	16,500	-
Exploration and evaluation expenditures		728,625	9,475	1,358,699	107,360
Foreign exchange loss		(1,881)	257	(1,881)	635
General and administration		1,006	257	8,168	635
Interest and bank charges		3,062	3,987	6,095	8,066
Investor relations and advisory fees		28,058	31,611	61,268	46,768
Management fees	6	6,000	6,000	12,000	12,000
Professional fees		4,823	14,261	7,496	14,264
Transfer agent and regulatory		16,347	12,644	20,091	14,366
Total expenses		802,540	150,116	1,488,436	207,981
Net loss and comprehensive loss for the period		\$802,540	\$150,116	\$ 1,488,436	\$ 207,981
Basic and diluted loss per share		\$ (0.004)	\$ (0.001)	\$ (0.008)	\$ (0.001)
Weighted average common Shares outstanding		199,578,429	152,748,596	194,742,221	150,254,346

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.
Condensed Interim Statements of Changes in Shareholders' Equity
For the Six Months Ended April 30
(Unaudited)
(Expressed in Canadian dollars)

	Shares	Capital stock Amount	Share-based payment reserve	Equity component of convertible debt	Deficit	Total
		\$	\$	\$	\$	\$
Balance, October 31, 2021	183,019,096	18,092,499	698,072	-	(15,776,968)	3,013,603
Exercise of options	750,000	57,842	(20,342)	-	-	37,500
Exercise of warrants	19,517,665	1,048,306	(1,372)	-	-	1,046,934
Net loss and comprehensive loss for the period	-	-	-	-	(1,488,436)	(1,488,436)
Balance, April 30, 2022	203,286,761	19,198,647	676,358	-	(17,265,404)	2,609,601
Balance, October 31, 2020	147,760,100	16,322,576	342,716	35,890	(14,575,748)	2,125,434
Private placement of units	18,160,000	940,925	-	-	-	940,925
Share issue costs	-	(45,419)	16,664	-	-	(28,755)
Exercise of warrants	1,794,000	89,700	-	-	-	89,700
Transfer on expiry of options	-	-	(26,500)	-	26,500	-
Transfer on expiry of conversion feature	-	-	-	(35,890)	35,890	-
Net loss and comprehensive loss for the period	-	-	-	-	(207,981)	(207,981)
Balance, April 30, 2021	167,714,100	17,307,782	332,880	-	(14,721,339)	2,919,323

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.
Condensed Interim Statement of Cash Flows
For the Three and Six Months Ended April 30

(Unaudited)

(Expressed in Canadian dollars)

	Six months ended	
	April 30,	April 30,
	2022	2021
	\$	\$
Cash flows (used in) from operating activities:		
Net loss and comprehensive loss for the period	(1,488,436)	(207,981)
Items not involving cash:		
Accretion of interest on convertible debt	-	2,589
Acquisition costs related to expired claims	16,500	-
Change in non-cash working capital items:		
HST receivable	(53,450)	15,394
Prepaid expenses and deposits	90,658	(89,359)
Accounts payable and accrued liabilities	205,420	(144,295)
	(1,229,308)	(423,652)
Cash flows (used in) from investing activities:		
Exploration and evaluation asset expenditures	-	-
	-	-
Cash flows from financing activities:		
Advance from shareholder	(9,888)	23,034
Proceeds from exercise of warrants	1,027,964	89,700
Proceeds from exercise of options	56,470	
Proceeds from issuance of capital stock	-	1,006,775
Finance costs	-	(28,755)
	1,074,546	1,090,754
Increase (decrease) in cash and cash equivalents	(154,762)	667,102
Cash and cash equivalents, beginning of period	520,594	11,703
Cash and cash equivalents, end of period	365,832	678,805

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements
For the Three and Six Months Ended April 30, 2022
(Unaudited)
(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

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

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

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

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

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

2. BASIS OF PREPARATION

Statement of compliance

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

These condensed interim financial statements were authorized for issue by the Board of Directors on June 29, 2021.

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements
For the Three and Six Months Ended April 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION *(continued)*

Significant accounting policies

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

Functional and presentation currency

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

Use of estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

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

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

3. MINERAL PROPERTY INTERESTS

Marshall Lake Property

On June 6, 2021, the Company exercised its option to acquire a 75% undivided interest in the Marshall Lake Joint Venture Agreement ("JV Agreement"). Rainy Mountain retains the remaining 25% interest. Each party will be responsible for funding its proportionate share of expenditures of the Project. Should Rainy Mountain choose not to contribute its pro rata share, then its interest in the JV would be diluted. Once Rainy Mountain's interest is reduced to 10%, it is automatically converted into a 1% Net Smelter Returns Royalty ("NSR"). Copper Lake would have the right to acquire the NSR at any time for \$1 million.

At April 30, 2022, Rainy Mountain's pro rata share of expenditures owing is \$470,272. No amount has been recorded in these financial statements for Rainy Mountain's pro rata share.

Norton Lake Property

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

At April 30, 2022, Rainy Mountain's pro rata share of expenditures owing is \$7,714. No amount has been recorded in these financial statements for Rainy Mountain's pro rata share.

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements
For the Three and Six Months Ended April 30, 2022
(Unaudited)
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3. MINERAL PROPERTY INTERESTS *(continued)*

Centrefire Redhat Property

Subsequent to April 30, 2022 the Company allowed the Centrefire Redhat claims to lapse. As a result, acquisition costs in the amount of \$16,500 were written off in the current quarter.

Exploration and evaluation expenses

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

For the six months ended April 30, 2022

	Marshall Lake Property	Norton Lake Property	Total
Assays	4,109	-	4,109
Claims management	120	780	900
Drilling	440,434	-	440,434
Equipment rental	84,926	-	84,926
Exploration office and management	51,604	-	51,604
Field exploration camp	469,258	-	469,258
Geophysical	186,731	-	186,731
Geotechnical	5,660	-	5,660
Line cutting	24,837	-	24,837
Roads and access	85,797	-	85,797
Storage	2,250	-	2,250
Travel	2,193	-	2,193
Expenditures for the period	1,357,919	780	1,358,699
Cumulative balance - October 31, 2021	4,944,466	844,619	5,789,085
Balance, April 30, 2022	\$ 6,302,385	\$ 845,399	7,993,183

For the six months ended April 30, 2021

	Marshall Lake Property	Norton Lake Property	Total
Assays	19,592	-	19,592
Core shack and logging	8,308	-	8,308
Exploration office	833	-	833
Geotechnical and geological	61,787	-	61,787
Maps and permits	5,980	-	5,980
Reports	7,000	1,160	8,160
Storage	2,700	-	2,700
Expenditures for the period	106,200	1,160	107,360
Cumulative balance - October 31, 2020	4,305,478	840,784	5,146,262
Balance, April 30, 2021	\$ 4,411,678	\$ 841,944	5,253,622

4. CONVERTIBLE DEBENTURES

On April 28, 2021, the debentures matured and the conversion feature expired, at which time the equity component amount was reclassified to the deficit. The balance bears interest at a rate of 12% per annum and has not terms of repayment.

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements
For the Three and Six Months Ended April 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

5. CAPITAL STOCK

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

During the six month ended April 30, 2022, the Company completed the following share transactions:

A total of 19,517,665 warrants were exercised for proceeds of \$1,048,306 and 750,000 options were exercised for proceeds of \$37,500.

During the six month ended April 30, 2021, the Company completed the following share transactions:

In April 2021, the Company closed the first tranche of a private placement, raising \$1,006,775 through the issuance of 6,585,000 flow-through units (“FT Units”) at a price of \$0.065 per FT Unit and 11,575,000 non flow-through units (“NFT Units”) at a price of \$0.05 per NFT Unit. Each FT unit consists of one flow-through common share and one-half of a common share purchase warrant, with each whole warrant being exercisable at \$0.10 for two years from the date of issuance. Each NFT Unit consists of one common share and one common share purchase warrant, with each warrant being exercisable at \$0.10 for two years from the date of issuance.

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

Stock Options

Stock option transactions for the period are summarized as follows:

	April 30, 2022		October 31, 2021	
	Number of Options	Weighted Ave Exercise Price	Number of Options	Weighted Ave Exercise Price
Opening balance	15,850,000	0.063	9,650,000	0.051
Granted	-	-	9,700,000	0.071
Exercised	(750,000)	0.050	(1,000,000)	0.055
Expired	-	-	(2,500,000)	0.050
Ending balance	15,100,000	\$0.064	15,850,000	\$0.063
Options exercisable	15,100,000	\$0.064	15,850,000	\$0.063

The following options were outstanding as at April 30, 2022 and October 31, 2021:

Expiry Date	January 31, 2022	October 31, 2021	Exercise Price
January 18, 2023	1,550,000	1,550,000	\$0.050
March 15, 2023	250,000	250,000	0.080
February 11, 2024	100,000	100,000	0.050
August 7, 2024	1,000,000	1,000,000	0.050
December 2, 2024	1,750,000	1,750,000	0.050
December 13, 2024	1,000,000	1,000,000	0.050
April 28, 2025	500,000	500,000	0.050
August 26, 2026	2,300,000	3,050,000	0.050
October 18, 2026	6,650,000	6,650,000	0.080
Outstanding	15,100,000	15,850,000	0.051
Weighted average remaining life	3.45 years	3.99 years	\$0.064

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements
For the Three and Six Months Ended April 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

5. CAPITAL STOCK *(continued)*

Share-based compensation

During the six months ended April 30, 2022, the Company recognized \$nil (2021 - \$nil) as share-based compensation expense for options vested during the period.

Share Purchase Warrants

Share purchase warrant transactions are summarized as follows:

	Three months ended April 30, 2022		Year ended October 31, 2021	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance	41,122,615	\$ 0.078	36,963,988	\$ 0.050
Issued	-	0.050	22,983,950	0.100
Exercised	(19,517,665)	0.054	(8,544,000)	0.050
Expired	(42,000)	0.050	(10,281,323)	0.050
Ending balance	21,604,950	\$ 0.100	41,122,615	\$ 0.078
Warrants exercisable	21,562,950	\$ 0.100	41,122,615	\$ 0.078

As at April 30, 2022 and October 31, 2021 the following share purchase warrants were outstanding:

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

6. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management includes directors and other key personnel, including the CEO, President and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company.

The compensation paid to these key management personnel for the three and six months ended April 30, 2022 and 2021 is outlined below:

	Three months ended April 30		Six months ended April 30	
	2022	2021	2022	2021
Management and director fees	\$ 6,000	\$ 6,000	\$ 12,000	\$ 12,000
Share-based compensation	-	-	-	-
	\$ 6,000	\$ 12,650	\$ 12,000	\$ 12,000

Included in accounts payable and accrued liabilities as at April 30, 2022 is \$7,872 (October 31, 2021 - \$37,253) owed to directors and officers. As at April 30, 2022, a director of the Company had advanced funds to the Company in the amount of \$161 (October 31, 2021 - \$510,049). This advance is unsecured, non-interest bearing and has no terms of repayment.