COPPER LAKE
RESOURCES LTD

Annual Financial Statements
For the Year Ended October 31, 2022

Expressed in Canadian Dollars

Independent Auditor's Report

To the Shareholders of Copper Lake Resources Ltd.

Opinion

We have audited the financial statements of Copper Lake Resources Ltd. (the "Company"), which comprise the statement of financial position as at October 31, 2022, and the statement of loss and comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the year 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, 2022 and its financial performance and its cash flows for the year 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. 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.

Other matter

The financial statements of the Company for the year ended October 31, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on February 22, 2022.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended October 31, 2022 and, as of that date, the Company had limited working capital. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

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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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 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 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 judgement 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 risks 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.

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- 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 of the audit resulting in this independent auditor's report is Glen McFarland.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
February 27, 2023

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

As at	October 31, 2022	October 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 668,333	$ 520,594
HST receivable	54,260	44,868
Prepaid expenses and deposits	78,380	373,480
Total current assets	800,973	938,942
Mineral properties (note 4)	2,548,862	2,565,362
Total assets	**$ 3,349,835**	**$ 3,504,304**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	215,676	380,652
Advances from shareholder (note 7)	500	10,049
Flow-through share premium (note 6a)	28,558	-
Convertible debentures (note 5)	-	100,000
Total current liabilities	244,734	490,701
Total liabilities	**244,734**	**490,701**
Shareholders' equity		
Capital stock (note 6)	20,403,076	18,092,499
Reserves (note 6)	1,377,538	698,072
Deficit	(18,675,513)	(15,776,968)
Total shareholders' equity	3,105,101	3,013,603
Total liabilities and shareholders' equity	**$ 3,349,835**	**$ 3,504,304**

Nature of business and going concern (note 1)
Contingencies (notes 12)
Subsequent events (note 13)

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 2022	2021
Expenses		
Accretion of interest on convertible debt (note 5)	$ -	$ 2,589
Acquisition costs related to expired claims (note 4)	16,500	-
Conferences	36,920	-
Exploration and evaluation expenditures (note 4)	2,093,154	642,823
Foreign exchange loss (gain)	(5,672)	322
General and administration	36,256	24,636
Interest and bank charges	1,720	14,648
Investor relations	195,947	131,490
Management fees (note 7)	24,000	24,000
Professional fees	34,578	48,830
Share-based compensation (notes 6 and 7)	477,216	461,672
Transfer agent and listing fees	30,886	34,950
Total expenses	2,941,505	1,385,960
Flow-through share premium recovery (note 6a)	(32,242)	(66,850)
Net loss and comprehensive loss for the year	**$ 2,909,263**	**$ 1,319,110**
Basic and diluted loss per share	**$ 0.014**	**$ 0.008**
Weighted average number of common shares outstanding – basic and diluted	**203,522,853**	**164,073,263**

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			Equity Component of Convertible		
	Shares	Amount	Reserves	Debt	Deficit	Total
		$	$	$	$	$
Balance, October 31, 2021	**183,019,096**	**18,092,499**	**698,072**	**-**	**(15,776,968)**	**3,013,603**
Private placement	16,700,655	1,563,859	-	-	-	1,563,859
Share issue costs	-	(63,948)	-	-	-	(63,948)
Exercise of warrants	19,517,665	1,048,306	(1,372)	-	-	1,046,934
Exercise of options	750,000	57,842	(20,342)	-	-	37,500
Broker warrants	-	(45,521)	45,521	-	-	-
Share-based compensation	-	-	477,216	-	-	477,216
Expiry of warrants	-	893	(893)	-	-	-
Allocation to warrants	-	(190,054)	190,054	-	-	-
Transfer on expiry of options	-	-	(10,718)	-	10,718	-
Flow-through premium (note 6a)	-	(60,800)		-	-	(60,800)
Net loss and comprehensive loss	-	-		-	(2,909,263)	(2,909,263)
Balance, October 31, 2022	**219,987,416**	**20,403,076**	**1,377,538**	**-**	**(18,675,513)**	**3,105,101**
Balance, October 31, 2020	**147,760,096**	**16,322,576**	**342,716**	**35,890**	**(14,575,748)**	**2,125,434**
Transfer on expiry of options	-	-	(82,000)	-	82,000	-
Private placement of units	25,715,000	1,319,175	-	-	-	1,319,175
Share issue costs	-	(73,552)	17,784	-	-	(55,768)
Exercise of warrants	8,544,000	427,200	-	-	-	427,200
Exercise of options	1,000,000	97,100	(42,100)	-	-	55,000
Transfer on expiry of conversion feature	-	-	-	(35,890)	35,890	-
Share-based compensation	-	-	461,672	-	-	461,672
Net loss and comprehensive loss	-	-	-	-	(1,319,110)	(1,319,110)
Balance, October 31, 2021	**183,019,096**	**18,092,499**	**698,072**	**-**	**(15,776,968)**	**3,013,603**

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 2022	2021
Cash flows from operating activities:		
Loss for the year	$ (2,909,263)	$ (1,319,110)
Items not affecting cash:		
Share-based compensation	477,216	461,672
Accretion on convertible debenture	-	2,589
Flow-through share premium recovery	(32,242)	(66,850)
Acquisition costs related to expired claims	16,500	-
Change in non-cash working capital items:		
HST receivable	(9,392)	(16,209)
Prepaid expenses and deposit	295,100	(369,964)
Accounts payable and accrued liabilities	(164,976)	63,097
Net cash used in operating activities	**(2,327,057)**	**(1,244,775)**
Cash flows provided by (used in) financing activities:		
Repayments to shareholder	(9,549)	(46,291)
Private placement of units	1,563,859	1,386,025
Share issuance costs	(63,948)	(55,768)
Repayment of convertible debt	(100,000)	(12,500)
Proceeds from exercise of warrants	1,046,934	427,200
Proceeds from exercise of options	37,500	55,000
Net cash provided by financing activities	**2,474,796**	**1,753,666**
Increase in cash and cash equivalents during the year	147,739	508,891
Cash and cash equivalents, beginning of year	520,594	11,703
Cash and cash equivalents, end of year	**$ 668,333**	**$ 520,594**

Supplemental cash flow information

	October 31, 2022	October 31, 2021
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 on October 17, 1984, and was Continued under the Business Corporations Act of Ontario on January 20, 2022. The Company 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 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 limited working capital, 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.

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. Subsequent to October 31, 2022, the Company raised $1,283,360 (see note 13). 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 seeking to raise the necessary capital to meet its funding requirements. 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 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, 2021.

The financial statements of the Company for the year ended October 31, 2022 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on February 27, 2023.

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.

2. BASIS OF PREPARATION *(Continued)*

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. 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.

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.

  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.

- Going concern

  The assessment of the Company's ability to continue as a going concern and to execute its strategy by funding future working capital requirements involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

  Subsequent to year end October 31, on December 22, 2022 the Company announced and closed a non-brokered private placement and raised $1,283,285 through the issuance of 15,097,472 flow-through units. The Company also received a contribution payment of $250,000 from its JV partner, as well as a $60,000 payment under the Ontario Junior Exploration Program.(See note 13)

3. SIGNIFICANT ACCOUNTING POLICIES

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

a) Cash and cash equivalents

Cash and cash equivalents include 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, 2022 and 2021.

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.

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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

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.

e) 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.

f) 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 and any excess is allocated to warrants.

g) 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) capital stock based on the fair value of the shares, and ii) a flow-through share premium, equal to the residual value, if any, investors pay for the flow-through feature, which is recognized as a liability This is referred to as the residual value method.

Upon expenditures being incurred, the Company derecognizes the flow-through premium liability and recognizes a flow-through premium recovery within the statement of net loss.

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.

h) Share based payment transactions

The Company’s stock option plan allows employees and consultants to acquire shares of the Company. The estimated fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in reserves within shareholders’ 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 recognized 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 reserves are transferred to capital stock.

3. SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

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.

i) 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.

The calculation of diluted loss per share excludes the effects of various conversions and exercise of options, warrants that would be anti-dilutive. During the year ended October 31, 2022 and 2021, all outstanding options and warrants were anti-dilutive and excluded from diluted loss per share calculations.

j) 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.

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.

k) Provisions

General:

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statement of operations, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Reclamation provision:

The Company records the net present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling

3. SIGNIFICANT ACCOUNTING POLICIES (*Continued)*

operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. A liability is initially recognized as the present value of the estimated cost. A liability related to exploration and evaluation activities is expensed as incurred. A liability related to property and equipment is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in profit or loss.

New Standards and Interpretations

A number of new standards, amendments to standards and interpretations are not yet effective as of October 31, 2022 and have therefore not been applied in preparing these financial statements. None are expected to have a material effect on the financial statements of the Company.

A number of new standards, amendments and interpretations became effective for the Company's 2022 fiscal year. None had a material effect on the financial statements of the Company.

4. 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 Royalty Corp. ("Rainy Mountain") retained the remaining 25% interest. Certain claims are subject to net smelter return royalties of 1% - 2% on base metals and 3% on precious metals. Each party is 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 project would be diluted. Should Rainy Mountain's interest be reduced to 10%, it is automatically converted into a 1% Net Smelter Returns Royalty ("NSR"), and Copper Lake would have the right to acquire the NSR at any time for $1 million.

During 2022, Rainy Mountain's interest was diluted to 20.55 % as it did not meet its payment obligations under the JV Agreement for expenditures to April 30, 2022. As a result, Copper Lake's interest in the property is now 79.45%. At October 31, 2022, Rainy Mountain's pro rata share of expenditures owing for the period from May 1, 2022 to October 31, 2022 is $152,515. No amount has been recorded in these financial statements for Rainy Mountain's pro rata share. Subsequent to October 31, 2022, the Company received a payment from Rainy Mountain in the amount of $250,000 towards the exploration program expenditures incurred subsequent to April 30, 2022.

The Company recorded acquisition costs of $2,548,862 for its interest in the Marshall Lake Property.

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 continues to hold a 69.79% interest and Rainy Mountain holds a 30.21% interest. Certain of the claim units are subject to a 2% NSR (the Company may purchase 1% of the NSR for $1,000,000 and has a right of first refusal on the remaining 1% NSR). Should Rainy Mountain's interest be reduced to 5%, it is automatically converted into a 2% NSR.

Centrefire Redhat Property

During 2022, the Company allowed the Centrefire Redhat claims to lapse. As a result, acquisition costs in the amount of $16,500 were written off.

(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 are as follows:

For the year ended October 31, 2022

	Marshall Lake	**Norton Lake**	**Total**
Advance royalty payment	$25,000	$ -	$25,000
Assays	18,541	-	18,541
Claims management	120	780	900
Drilling	713,701	-	713,701
Equipment rental	84,926	-	84,926
Exploration office and management	103,574	-	103,574
Field exploration camp	536,946	-	536,946
Geophysical	395,978	-	396,978
Geotechnical	26,130	-	26,130
Line cutting	87,137	-	87,137
Property taxes and lease rent	15,095	-	15,095
Roads and access	85,797	-	85,797
Storage	4,950	-	4,950
Travel	2,193	-	2,193
Contributions received from JV Partner	-	(7,714)	(7,714)
Expenditures for the year	**2,100,088**	**(6,934)**	**2,093,154**
Cumulative balance - October 31, 2021	4,944,466	844,619	5,789,085
Balance, October 31, 2022	**$ 7,044,554**	**$ 837,685**	**$ 7,882,239**

For the year ended October 31, 2021

	Marshall Lake	**Norton Lake**	**Total**
Advance royalty payment	$25,000	$ -	$ 25,000
Assays	19,945	-	19,945
Core shack and logging	17,344	-	17,344
Drilling	35,503	-	35,503
Equipment rental	7,340	-	7,340
Exploration office	75,172	-	75,172
Field exploration camp	176,710	-	176,710
Geophysical	166,758	-	166,758
Geotechnical	20,206	2,875	23,081
Line cutting	44,640	-	44,640
Maps and permits	7,158	960	8,118
Property taxes and lease rent	1,029	-	1,029
Reports	7,000	-	7,000
Roads and access	27,007	-	27,007
Storage	5,850	-	6,850
Travel	2,326	-	2,326
Expenditures for the year	**638,988**	**3,835**	**642,823**
Cumulative balance - October 31, 2020	4,305,478	840,784	5,146,262
Balance, October 31, 2021	**$ 4,944,466**	**$ 844,619**	**$ 5,789,085**

(Expressed in Canadian dollars)

5. CONVERTIBLE DEBENTURES

	Principal Amount	Liability Component	Equity Component
Balance October 31, 2020	**$ 112,500**	**$ 109,911**	**$ 35,890**
Accretion	-	2,589	-
Expiry of conversion feature upon maturity	-	-	(35,890)
Repayment of convertible debenture	(12,500)	(12,500)	-
Balance October 31, 2021	**$ 100,000**	**$ 100,000**	**-**
Repayment of convertible debenture	(100,000)	(100,000)	-
Balance October 31, 2022	**$ -**	**$ -**	**-**

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%. In April 2017, debentures with a face value of $307,500 were converted into shares and warrants, leaving $112,500 of convertible debentures outstanding. The warrants expired on April 28, 2021, at which time the value assigned to the conversion feature of $35,890 was transferred to deficit. The balance of the debenture was paid during 2022.

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, 2022, the Company completed the following equity transactions:

a) In October 2022, the Company closed a private placement and issued 6,080,000 flow-through units (“FT Units”) at a price of $0.10 per FT Unit and 10,820,655 non flow-through units (“NFT Units”) at a price of $0.09 per NFT Unit for gross proceeds of $1,563,859. Each FT Unit consists of one flow-through common share and one-half of a common share purchase warrant (a “Warrant”), with each Warrant being exercisable at $0.15 for 36 months. Each NFT Unit consists of one common share and one Warrant, with each Warrant being exercisable at $0.15 for 36 months. The Company recorded a flow-through share premium of $60,800 in connection with this tranche.

In connection with both tranches of the private placement, the Company paid total finders’ fees of $57,137 in cash, and issued 616,195 non-transferable finders’ warrants exercisable at $0.15 for a period of 36 months from the closing date. The finders’ warrants were valued determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate – 3.15%; expected life in years – 3; expected volatility 218%; and expected forfeiture rate – 0%. Expected volatility was based on the historical volatility of the Company’s share price. The value allocated to the finders’ warrants was $45,521.

The Warrants are subject to an accelerated expiry date clause whereby at any time following the expiry of the four-months and one day hold period, should the weighted average closing price of the Common Shares on the TSX Venture Exchange (the “TSX-V”) be more than $0.25 for a period of 15 consecutive trading days, the Company shall be entitled to accelerate the expiry date of the warrants to a date which is 30 days following the date on which the Company announces the accelerated expiry of the Warrants by press release.

During the year ended October 31, 2021, the Company completed the following equity transactions:

a) 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

6. CAPITAL STOCK (*Continued)*

purchase warrant, with each warrant being exercisable at $0.10 for two years from the date of issuance. The Company recorded a flow-through share premium of $66,850 in connection with this tranche.

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 – 1.5%; expected life in years – 2; expected volatility 114%; 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.

b) On May 17, 2021, the Company announced that it closed the second, and final tranche of the Offering, issuing 100,000 FT Units at a price of $0.065 per FT Unit and 7,455,000 NFT Units at a price of $0.05 per NFT Unit for gross proceeds of $379,250. Each FT Unit consists of one flow-through common share and one-half of a common share purchase warrant (a "FT Warrant"), with each Warrant being exercisable at $0.10 for 24 months. Each NFT Unit consists of one common share and one Warrant, with each Warrant being exercisable at $0.10 for 24 months. The Company recorded a flow-through share premium of $1,000 in connection with this tranche.

The Company paid finders' fees of $2,800 in cash in connection with this final tranche of the Offering and has also issued 56,000 non-transferable finders' warrants exercisable at $0.10 per warrant for a period of 24 months from the date of issuance. The warrants were valued determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate – 1.5%; expected life in years – 2; expected volatility 114%; 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 $1,120.

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, 2022 the Company granted 6,450,000 stock options to its officers, directors and consultants, with a weighted average exercise price of $0.075. The estimated weighted average grant date fair value of the options was $0.074 per option, as determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate – 3.66%; expected life in years – 5; expected volatility 218%; dividend rate of nil; and expected forfeiture rate – 0%. Expected volatility was based on the historical volatility of the Company's share price.

During the year ended October 31, 2021 the Company granted 9,700,000 stock options to its officers, directors and consultants, with a weighted average exercise price of $0.07. The estimated weighted average grant date fair value of the options was $0.0476 per option, as determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate – 1.66%; expected life in years – 5; expected volatility 93%; 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, 2022 and 2021:

	2022		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	6,450,000	0.075	9,700,000	0.071
Exercised	(750,000)	0.050	(1,000,000)	0.055
Expired	(750,000)	0.060	(2,500,000)	0.050
Ending balance	20,800,000	$ 0.067	15,850,000	$ 0.063
Options exercisable	**20,800,000**	**$ 0.067**	**15,850,000**	**$ 0.063**

The weighted average price for options exercised during 2022 was $0.07 (2021 - $0.06).

	Number of Options		
Expiry Date	**2022**	**2021**	Exercise Price
January 18, 2023	1,550,000	1,550,000	$0.050
March 15, 2023	-	250,000	0.080
February 11, 2024	100,000	100,000	0.050
August 7, 2024	1,000,000	1,000,000	0.050
December 2, 2024	1,750,000	1,750,000	0.050
December 13, 2024	1,000,000	1,000,000	0.050
April 28, 2025	-	500,000	0.050
August 26, 2026	2,300,000	3,050,000	0.050
October 18, 2026	6,650,000	6,650,000	0.080
October 25, 2027	6,450,000	-	0.075
Outstanding	**20,800,000**	**15,850,000**	**$ 0.067**
Weighted average remaining life	3.62 years	3.99 years	

Share-based compensation

During the year ended October 31, 2022, the Company recognized $477,216 (2021 - $461,672) as share-based compensation expense for options vested during the year.

Share Purchase Warrants

Share purchase warrant transactions are summarized for the years ended October 31, 2022 and 2021:

	October 31, 2022		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	14,276,850	0.150	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	35,839,800	$ 0.123	41,122,615	$ 0.078
Warrants exercisable	**35,839,800**	**$ 0.123**	**41,122,615**	**$ 0.078**

(Expressed in Canadian dollars)

6. CAPITAL STOCK (*Continued)*

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

	Number of Warrants		
Expiry Date	**2022**	**2021**	**Exercise Price**
December 30, 2021	-	11,663,333	$ 0.05
February 18, 2022	-	642,000	0.05
May 8, 2022	-	5,833,332	0.05
April 15, 2023	14,001,950	15,422,950	0.10
May 17, 2023	7,561,000	7,561,000	0.10
August 11, 2025	12,020,085	-	0.15
October 13, 2025	2,256,765	-	0.15
Outstanding and exercisable	**35,839,800**	**41,122,615**	**$ 0.12**

7. RELATED PARTY TRANSACTIONS

The following are related party transactions that have occurred during the years ended October 31, 2022 and 2021 which have not yet otherwise been disclosed herein.

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, 2022 and 2021 is outlined below:

	2022	**2021**
Management fees	$ 24,000	$ 24,000
Share-based compensation	314,458	367,799
	$ 391,799	$ 391,799

Included in accounts payable and accrued liabilities as at October 31, 2022 is $2,563 (2021- $37,523) owed to directors.

The advances from shareholder at October 31, 2022 in the amount of $500 (2021- $10,049) were advanced by a director and are non-interest bearing and have no terms of repayment.

During the year ended October 31, 2022, a director and an officer participated in a private placement offering (see note 6.a)) and subscribed for an aggregate total 450,000 FT Units for a total of $45,000 (2021 - $58,500).

8. CAPITAL MANAGEMENT

The Company defines its capital under management as shareholders' equity, the balance of which was $3,105,101 at October 31, 2022 (2021 - $3,013,603). 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. There have been no changes to the Company's approach to capital management during the year ended October 31, 2022.

The Company is not subject to any capital requirements imposed by external bodies, other than the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of six months.

(Expressed in Canadian dollars)

9. INCOME TAXES

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

	2022	2021
Net loss for the year	$ (2,909,263)	$(1,319,110)
Expected income tax recovery at 26.5%	$ (770,955)	$ (349,564)
Share based compensation	126,462	122,343
Flow-through share premium recovery	(8,544)	(17,715)
CEE incurred applied to flow-through shares	542,510	161,900
Permanent differences	110	743
Change in tax loss benefits not recognized	110,417	82,293
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:

	2022	2021
Temporary differences:		
Canadian eligible capital (CEC)	$ 125,202	$ 77,241
Cumulative Canadian exploration expenses	1,652,195	212,986
Cumulative Canadian development expenses	974,100	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	9,590,035	9,144,814

As at October 31, 2022, the Company has non-capital losses of $9,590,035 (2021 - $9,144,814) available to reduce taxable income in future years which expire in years over the period from 2026 to 2042. 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 $2,047,209 (2021 - $610,944) that qualify as Canadian Exploration Expenditures ("CEE") under the Income Tax Act (Canada) and renounced CEE expenditures in the amount of $608,000 with an effective date of December 31, 2022 (2021 - $434,525). The Company has a remaining renunciation commitment of $285,578 to be met by December 31, 2023.

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, 2022, the Company had current liabilities of $216,176 (2021 - $490,701) excluding the flow through share premium liability.

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. The Company has USD 43,306 in bank accounts at October 31, 2021 (2021 - $68,560).

11. SEGMENTED INFORMATION

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

12. COMMITMENTS AND CONTINGENCIES

As a result of the Company's flow-through financing, the Company was committed to incur qualifying resource expenditures. As at October 31, 2022, the Company is required to incur additional qualifying expenditures of $285,578 by December 31. 2022. Subsequent to October 31, 2022, the Company completed the required qualifying expenditures.

Subsequent to year end October 31, on December 22, 2022 the Company announced and closed a non-brokered private placement and received gross proceeds of $1,283,285 through the issuance of 15,097,472 flow-through units. The Company is required to incur additional qualifying expenditures of $1,283,285 by December 31, 2023.

In connection with the flow-through financings, the Company indemnifies the subscribers against certain tax related amounts that may become payable by the subscribers should the Company not meet its flow-through expenditure commitments.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirement, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory, environmental and social requirements.

The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the achievement of profitable operations, or the ability of the Company to raise additional financing, as necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

13. SUBSEQUENT EVENTS

a) Subsequent to October 31, 2022, the Company completed a non-brokered private placement of FT Units, issuing 15,098,354 Units for gross proceeds of $1,283,360. Each Unit is comprised of one common share that will qualify as a "flow-through share" as defined in the *Income Tax Act* (Canada), and one-half of one Common Share purchase warrant (each whole warrant a "Warrant") entitles the holder to acquire one additional Common Share, that is not a flow through share, at an exercise price of $0.15 per Common Share for a period of 36 months from the date of closing. The Company paid total finders' fees of $75,495 in cash, and issued 888,201 non-transferable finders' warrants exercisable at $0.10 for a period of 36 months from the closing date.

13. SUBSEQUENT EVENTS *(Continued)*

b) Subsequent to October 31, 2022, directors of the Company and Consultants exercised 1,550,000 options for proceeds of $77,500.

c) In January 2023, Rainy Mountain made a payment of $250,000 to the Company as a contribution towards their share of expenditures under the Marshall Lake JV Agreement for the period subsequent to May 1, 2022 (see note 4).

d) Subsequent to October 31, 2022 the Company received an interim payment of $60,000 under the 2022 Ontario Junior Exploration Program ("OJ,EP"). The Company was approved for a total grant of $200,000 under the program.