



COPPER LAKE
RESOURCES LTD

Condensed Interim Financial Statements

**For the Three Months Ended
January 31, 2023**

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 months ended January 31, 2023 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

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

Copper Lake Resources Ltd.
Condensed Interim Statements of Financial Position

(Unaudited)
(Expressed in Canadian dollars)

As at	January 31, 2023	October 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,774,259	\$ 668,333
HST receivable	62,237	54,260
Prepaid expenses and deposits	130,815	78,380
Total current assets	1,967,311	800,973
Mineral properties (note 3)	2,548,862	2,548,862
Total assets	\$ 4,516,173	\$ 3,349,835
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	516,428	215,676
Advances from shareholder	1,929	500
Flow-through share premium	122,318	28,558
Total current liabilities	640,675	244,734
Total liabilities	640,675	244,734
Shareholders' equity		
Capital stock (note 5)	21,488,634	20,403,076
Reserves (note 5)	1,379,405	1,377,538
Deficit	(18,992,541)	(18,675,513)
Total shareholders' equity	3,875,498	3,105,101
Total liabilities and shareholders' equity	\$ 4,516,173	\$ 3,349,835

Subsequent events (note 6)

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.
Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars)

	For the three months ended	
	January 31	
	2023	2022
Expenses		
Exploration and evaluation expenditures (note 4)	343,780	630,074
General and administration	1,278	7,162
Interest and bank charges	(9,373)	3,033
Investor relations	15,351	33,210
Management fees (note 5)	53,926	6,000
Professional fees	2,465	2,673
Transfer agent and listing fees	6,614	3,744
Total expenses	414,041	685,896
Flow-through share premium recovery	(28,558)	
Net loss and comprehensive loss for the period	\$ 385,483	\$ 685,896
Basic and diluted loss per share	\$ 0.002	\$ 0.004
Weighted average number of common shares outstanding	228,238,667	189,906,013

The accompanying notes are an integral part of these financial statements

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

(Unaudited)

(Expressed in Canadian dollars)

	Capital stock		Reserves	Deficit	Total
	Shares	Amount			
		\$	\$	\$	\$
Balance, October 31, 2021	183,019,096	18,092,499	698,072	(15,776,968)	3,013,603
Exercise of warrants	13,884,333	756,639	(1,372)	-	755,267
Exercise of options	750,000	57,842	(20,342)	-	37,500
Net loss and comprehensive loss for the period	-	-	-	(685,896)	(685,896)
Balance, January 31, 2022	197,653,429	18,906,980	676,358	(16,462,864)	3,120,474
Balance, October 31, 2022	219,987,416	20,403,076	1,377,538	(18,675,513)	3,105,101
Private placement of units	15,098,354	1,283,360	-	-	1,283,360
Share issue costs	-	(82,662)	-	-	(82,662)
Flow through share premium	-	(122,318)	-	-	(122,318)
Issuance of finders warrants	-	(70,322)	70,322	-	-
Exercise of options	1,550,000	77,500	(68,455)	68,455	77,500
Net loss and comprehensive loss for the period	-	-	-	(385,483)	(385,483)
Balance, January 31, 2023	236,635,770	21,488,634	1,379,405	(18,992,541)	3,875,498

The accompanying notes are an integral part of these financial statements

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

	For the three months ended January 31	
	2023	2022
Cash flows from operating activities:		
Loss for the period	\$ (385,483)	\$ (685,896)
Items not affecting cash:		
Flow-through share premium recovery	(28,558)	-
Change in non-cash working capital items:		
HST receivable	(7,977)	(39,111)
Prepaid expenses and deposit	(50,000)	(18,554)
Accounts payable and accrued liabilities	298,317	(85,446)
Net cash used in operating activities	(173,701)	(829,007)
Cash flows provided by (used in) financing activities:		
Advances from (repayments to) shareholder	1,429	(24,575)
Private placement of units	1,283,360	-
Share issuance costs	(82,662)	-
Proceeds from exercise of warrants	-	755,267
Proceeds from exercise of options	77,500	37,500
Net cash provided by financing activities	1,279,627	782,718
Increase (decrease) in cash and cash equivalents during the period	1,105,926	(46,289)
Cash and cash equivalents, beginning of period	668,333	520,594
Cash and cash equivalents, end of period	\$ 1,774,259	\$ 474,305

Supplemental cash flow information

	January 31, 2023	January 31, 2022
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	-	-

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Unaudited)

For the Three Months Ended January 31, 2023

(Expressed in Canadian dollars)

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 condensed interim 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. 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 condensed interim financial statements (the “financial statements”) have been prepared in accordance with IAS 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the IFRS Interpretations Committee.

The preparation of these unaudited condensed interim financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expense. In management’s opinion, all adjustments considered necessary for a fair presentation have been included in these unaudited condensed interim financial statements. Interim results are not necessarily indicative of the results expected for the financial year. Actual annual results may differ from interim estimates. The significant judgements made by management applied in the preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company’s audited financial statements for the year ended October 31, 2022. For a description of the Company’s critical accounting estimates and assumptions, please refer to the Company’s audited financial statements and related notes for the year ended October 31, 2022.

These unaudited condensed interim financial statements were authorized by the Board of Directors on April 3, 2023.

Copper Lake Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Unaudited)

For the Three Months Ended January 31, 2023

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION *(Continued)*

Significant accounting estimates and judgments

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, 2022.

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 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, 2022.

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.

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 Royalty Corp. ("Rainy Mountain") retains the remaining 25% interest. 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. Once Rainy Mountain's interest is 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. In January 2023, the Company received a payment from Rainy Mountain in the amount of \$250,000.

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.

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements

(Unaudited)

For the Three Months Ended January 31, 2023

(Expressed in Canadian dollars)

3 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 three months ended January 31, 2023

	Marshall Lake Property	Norton Lake Prop- erty	Total
Assays	\$ 592	-	\$ 592
Claims management	85	-	85
Core trays	19,849	-	19,849
Drilling	65,422	-	65,422
Equipment rental	3,780	-	3,780
Field exploration camp	63,314	-	63,314
Exploration office and management	24,716	-	24,716
Geotechnical	6,960	-	6,960
Line cutting	18,650	-	18,650
Roads and access	196,487	-	196,487
Storage	1,350	-	1,350
Travel	2,575	-	2,575
JEAP Grant	(60,000)	-	(60,000)
Expenditures for the period	\$ 343,780	-	\$ 343,780
Cumulative balance - October 31, 2022	7,044,554	837,685	7,882,239
Balance, January 31, 2023	\$ 7,388,334	\$ 837,685	\$ 8,226,019

For the three months ended January 31, 2022

	Marshall Lake Property	Norton Lake Property	Total
Drilling	\$ 229,098	\$ -	\$ 229,098
Equipment rental	71,179	-	71,179
Exploration office	27,029	-	27,029
Field exploration camp	199,568	-	199,568
Geophysical	34,790	-	34,790
Geotechnical	3,800	-	3,800
Line cutting	24,837	-	24,837
Maps and permits	-	720	-
Roads and access	35,960	-	35,960
Storage	900	-	900
Travel	2,193	-	2,193
Expenditures for the period	638,988	720	630,074
Cumulative balance - October 31, 2021	4,944,466	844,619	5,789,085
Balance, January 31, 2022	\$ 5,573,820	\$ 845,339	\$ 6,419,159

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements

(Unaudited)

For the Three Months Ended January 31, 2023

(Expressed in Canadian dollars)

4. 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 three months ended January 31, 2023, the Company completed the following share transactions:

- a) In December 2022, the Company closed a 1st and 2nd tranches of a private placement issuing a total of 15,097,472 flow-through units (“FT Units”) at a price of \$0.085 per FT Unit for gross proceeds of \$1,283,285. Each FT Unit consists of one flow-through common share and one-half of a common share purchase warrant (a “FT Warrant”), with each FT Warrant being exercisable at \$0.15 for 36 months. The FT Warrants were valued determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate – 3.48%; expected life in years – 3; expected volatility 207%; 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 \$582,106.

The Company paid total finders’ fees of \$82,662 in cash, and issued 905,848 non-transferable finders’ warrants exercisable at \$0.10 for a period of 36 months from the closing date. The warrants were valued determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate – 3.48%; expected life in years – 3; expected volatility 207%; 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 \$70,322.

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.

The Company received proceeds from the exercise of options totaling \$77,500 during the quarter.

During the three months ended January 31, 2022, the Company completed the following share transactions:

- a) The Company received proceeds from the exercise of warrants totaling \$755,267 during the quarter. In addition, 750,000 options were exercised providing proceeds in the amount of \$37,500.

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.

The following options were outstanding as at January 31, 2023 and October 31, 2022:

	January 31, 2023		October 31, 2022	
	Number of Options	Weighted Ave Exercise Price	Number of Options	Weighted Ave Exercise Price
Opening balance	20,800,000	0.067	15,850,000	0.063
Granted	-	0.075	6,450,000	0.075
Exercised	(1,550,000)	0.050	(750,000)	0.050
Expired	-	0.060	(750,000)	0.060
Ending balance	19,250,000	\$0.069	20,800,000	\$0.067
Options exercisable	19,250,000	\$0.069	20,800,000	\$0.067

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements

(Unaudited)

For the Three Months Ended January 31, 2023

(Expressed in Canadian dollars)

4 CAPITAL STOCK (Continued)

Stock Options (Continued)

The following options were outstanding as at January 31, 2023 and October 31, 2022..

Expiry Date	Number of Options		Exercise Price
	January 31, 2023	October 31, 2022	
January 18, 2023	-	1,550,000	0.050
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
August 26, 2026	2,300,000	2,300,000	0.050
October 18, 2026	6,650,000	6,650,000	0.080
October 25, 2027	6,450,000	6,450,000	0.075
Outstanding	19,250,000	20,800,000	\$ 0.069
Weighted average remaining life	2.61 years	3.37 years	

Share-based compensation

During the three months ended January 31, 2023, the Company recognized \$Nil (three months ended January 31, 2022 - \$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 January 31, 2023		Year ended October 31, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance	35,839,800	\$ 0.123	41,122,615	\$ 0.078
Issued	7,549,177	0.150	14,276,850	0.150
Issued	888,201	0.10	-	-
Exercised	-	-	(19,517,665)	0.054
Expired	-	-	(42,000)	0.050
Ending balance	44,277,178	\$ 0.125	35,839,800	\$ 0.123
Warrants exercisable	44,277,178	\$ 0.125	35,839,800	\$ 0.123

As at January 31, 2023 and October 31, 2022 the following share purchase warrants were outstanding:

Expiry Date	Number of Warrants		Exercise Price
	January 31, 2023	October 31, 2022	
April 15, 2023	14,001,950	14,001,950	0.10
May 17, 2023	7,561,000	7,561,000	0.10
August 11, 2025	12,020,085	12,020,085	0.15
October 13, 2025	2,256,765	2,256,765	0.15
December 31, 2025	7,549,177		0.15
December 31, 2025	888,201		0.10
Outstanding and exercisable	44,277,178	35,839,800	\$ 0.125

Copper Lake Resources Ltd.
Notes to the Condensed Interim Financial Statements

(Unaudited)

For the Three Months Ended January 31, 2023

(Expressed in Canadian dollars)

5. RELATED PARTY TRANSACTIONS

The following are related party transactions that have occurred during the three months ended January 31, 2023 and 2022 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 three month period ended January 31, 2023 and 2022 is outlined below:

	2023	2022
Management fees	\$ 53,925	\$ 6,000
	\$ 53,925	\$ 6,000

Included in accounts payable and accrued liabilities as at January 31, 2023 is \$3,556 (October 31, 2022- \$2,523) owed to officers and directors.

The advances from shareholder at January 31, 2023 in the amount of \$1,929 (October 31, 2022- \$500) were advanced by a director and are non-interest bearing and have no terms of repayment.

6. SUBSEQUENT EVENTS

On March 27, 2023 the Company announced that it intends to extend the exercise period for a total of 20,951,500 share purchase warrants, all of which are exercisable at \$0.10 per common share (collectively, the “Warrants”). The warrants were issued pursuant to a private placement that closed in two tranches on April 15, 2021 and May 17, 2021 (see May 26, 2021 news release). The Company proposes to extend the expiry dates for both tranches of these Warrants such that the new expiry date for the Warrants will be November 15, 2023.

All other terms and conditions of the Warrants remain unchanged. The Warrant extension is subject to acceptance by the TSX Venture Exchange.