



COPPER LAKE
RESOURCES LTD

**Annual Financial Statements
For the Year Ended October 31, 2024**

(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 statements of financial position as at October 31, 2024 and October 31, 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2024 and October 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits 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 audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has not yet achieved profitable operations, has limited working capital, has accumulated losses since its inception. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to communicate in our report.

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.

In connection with our audits 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 audits 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 on this other information, 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® Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Toronto, Ontario
February 26, 2025

MNP **LLP**
Chartered Professional Accountants
Licensed Public Accountants

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

As at	October 31, 2024	October 31, 2023
ASSETS		
Current assets		
Cash	\$ 3,724	\$ 84,275
Accounts receivable (note 4)	4,238	5,591
HST receivable	25,905	33,025
Prepaid expenses and deposits	21,552	11,725
	55,419	134,616
Mineral properties (note 4)	2,548,862	2,548,862
Total assets	\$ 2,604,281	\$ 2,683,478
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 1,438,773	\$ 608,655
Advances from shareholder (note 6)	50,043	-
	1,488,816	608,655
Total liabilities	1,488,816	608,655
Shareholders' equity		
Capital stock (note 5)	22,132,150	21,557,089
Reserves (note 5)	1,540,239	1,394,730
Deficit	(22,556,924)	(20,876,996)
Total shareholders' equity	1,115,465	2,074,823
Total liabilities and shareholders' equity	\$ 2,604,281	\$ 2,683,478
Nature of business and going concern (note 1)		

On behalf of the Board:

“Terrence MacDonald” Director

“Paul McGroary” Director

The accompanying notes are an integral part of these financial statements

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

	For the years ended	
	October 31,	
	2024	2023
Expenses		
Conferences	\$ -	\$ 18,977
Exploration and evaluation expenditures (note 4)	1,255,029	1,818,174
Foreign exchange loss	3,390	3,805
General and administration	33,641	41,166
Interest and bank charges	(2,112)	(25,680)
Investor relations	182,476	160,488
Management fees (note 6)	215,700	215,700
Professional fees	54,679	68,337
Share-based compensation (note 5)	-	158,799
Transfer agent and listing fees	35,605	36,067
Total expenses	1,778,408	2,495,833
Flow-through share premium recovery (note 5)	(94,200)	(150,876)
Net loss and comprehensive loss for the year	\$ 1,684,208	\$ 2,344,957
Basic and diluted loss per share	\$ 0.006	\$ 0.010
Weighted average number of common shares outstanding – Basic and diluted	267,681,437	234,689,073

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		Reserves	Deficit	Total
	Shares	Amount			
		\$	\$	\$	\$
Balance, October 31, 2023	236,635,770	21,557,089	1,394,730	(20,876,996)	2,074,823
Private placement of units	33,560,000	718,300	120,700	-	839,000
Broker shares	308,000	7,700	-	-	7,700
Share issue costs	-	(27,650)	-	-	(27,650)
Issuance of finders warrants	-	(29,089)	29,089	-	-
Flow through share premium	-	(94,200)	-	-	(94,200)
Expiry of options	-	-	(4,280)	4,280	-
Net loss and comprehensive loss for the year	-	-	-	(1,684,208)	(1,684,208)
Balance, October 31, 2024	270,503,770	22,132,150	1,540,239	(22,556,924)	1,115,465
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	-	-
Expiry of warrants	-	-	(16,664)	16,664	-
Exercise of options	1,550,000	145,955	(68,455)	-	77,500
Expiry of options	-	-	(126,810)	126,810	-
Share-based compensation	-	-	158,799	-	158,799
Net loss and comprehensive loss for the year	-	-	-	(2,344,957)	(2,344,957)
Balance, October 31, 2023	236,635,770	21,557,089	1,394,730	(20,876,996)	2,074,823

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 years ended October 31,	
	2024	2023
Cash flows from operating activities:		
Loss for the year	\$ (1,684,208)	\$ (2,344,957)
Items not affecting cash:		
Share-based compensation	-	158,799
Flow-through share premium recovery	(94,200)	(150,876)
Change in non-cash working capital items:		
Accounts receivable	1,353	(5,591)
HST receivable	7,120	21,235
Prepaid expenses and deposit	(9,827)	66,655
Accounts payable and accrued liabilities	925,118	392,479
Net cash used in operating activities	(854,644)	(1,862,256)
Cash flows provided by (used in) financing activities:		
Advances from (repayments to) shareholder	50,043	-
Private placement of units	744,000	1,283,360
Share issuance costs	(19,950)	(82,662)
Proceeds from exercise of options	-	77,500
Net cash provided by financing activities	774,093	1,278,198
Decrease in cash during the year	(80,551)	(584,058)
Cash, beginning of year	84,275	668,333
Cash, end of year	\$ 3,724	\$ 84,275
Supplemental cash flow information		
	October 31,	October 31,
	2024	2023
Cash received during the years for:		
Interest income	\$ 2,112	\$ 25,680

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024
(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 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 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, 2023.

The financial statements of the Company for the year ended October 31, 2024 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on February 26, 2025.

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.

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024
(Expressed in Canadian dollars)

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.

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024
(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES

The following is a list of material 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, 2024 and 2023.

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.

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

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

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

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.

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 are classified as measured at amortized cost unless they fall into one of the following five categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination. Financial liabilities include accounts payable and accrued liabilities 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

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024
(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024
(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

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. If stock options expire, the applicable amount from share-based payments reserves are transferred to deficit.

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 years ended October 31, 2024 and 2023, 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.

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024
(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES (*Continued*)

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 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. The Company does not have any reclamation provisions as the current exploration program has not resulted in any disturbance to the lands.

1) Government Grants

Government grants are recognized as other receivables in the statements of financial position when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate and are recorded as a reduction of such expenses. Grants that are for the exploration and evaluation of the Company's resource properties are recorded as a reduction to the related expenses.

New Standards and Interpretations Not Yet Effective

A number of new standards, amendments to standards and interpretations are not yet effective as of October 31, 2024 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 2024 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") 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. The Company has recorded acquisition costs of \$2,548,862 for its interest in the Marshall Lake Property.

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%. Rainy Mountain's pro rata share of exploration expenditures for the period from May 1, 2022 to October 31, 2023 is \$628,289. The Company received \$400,000 from Rainy Mountain to date, leaving an amount owing of \$228,289. Rainy Mountain indicated they do not plan to contribute this additional amount and, as a result, their interest has been further diluted to 18.86%, and Copper Lake's interest increased to 81.14% as of October 31, 2023. During the year ended October 31, 2024, Rainy Mountain did not contribute their share of expenditures and, as a result, their interest was further diluted to 17.03%, with Copper Lake's interest increasing to 82.97%.

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.

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024
(Expressed in Canadian dollars)

4. MINERAL PROPERTY INTERESTS *(Continued)*

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.

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, 2024

	Marshall Lake	Norton Lake	Total
Advance royalty payment	\$ 25,000	\$ -	\$ 25,000
Assays	13,989	-	13,989
Claims management	10,935	2,376	13,311
Coreshack and trays	33,859	-	33,859
Drilling	727,424	-	727,424
Equipment rental	31,697	-	31,697
Field exploration camp	209,292	-	209,292
Exploration office and management	49,775	-	49,775
First Nations consultation	145,000	-	145,000
Geotechnical	13,109	-	13,109
Geophysical and reports	128,259	-	128,259
Line cutting	44,787	-	44,787
Property taxes and lease rent	4,014	-	4,014
Roads and access	8,160	-	8,160
Storage and travel	5,400	-	5,400
OJEP Grant	(198,047)	-	(198,047)
Expenditures for the year	1,252,653	2,376	1,255,029
Cumulative balance - October 31, 2023	8,782,831	917,582	9,700,413
Balance, October 31, 2024	\$10,035,484	\$ 919,958	\$10,955,442

For the year ended October 31, 2023

	Marshall Lake	Norton Lake	Total
Advance royalty payment	\$ 25,000	\$ -	\$ 25,000
Assays	51,545	-	51,545
Claims management	14,426	-	14,426
Coreshack and trays	85,773	-	85,773
Drilling	767,801	-	767,801
Equipment rental	37,316	-	37,316
Field exploration camp	615,238	-	615,238
Exploration office and management	84,437	-	84,437
Geotechnical	66,232	-	66,232
Geophysical and reports	249,140	115,488	364,628
Line cutting	44,656	-	44,656
Property taxes and lease rent	1,577	-	1,577
Roads and access	287,161	-	287,161
Storage and travel	7,975	-	7,975
JEAP Grant	(200,000)	-	(200,000)
JV Partner contributions	(400,000)	(35,591)	(435,591)
Expenditures for the year	1,738,277	79,897	1,818,174
Cumulative balance - October 31, 2022	7,044,554	837,685	7,882,239
Balance, October 31, 2023	\$ 8,782,831	\$ 917,582	\$ 9,700,413

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024
(Expressed in Canadian dollars)

5. 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, 2024, the Company completed the following share transactions:

In December 2023, the Company closed two tranches of a private placement issuing of 18,840,000 flow-through units (“FT Units”) and 14,720,000 non-flow-through (“NFT Units”) at a price of \$0.025 per FT Unit and NFT Unit for total gross proceeds of \$839,000. Each FT Unit consisted 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 \$0.10 for 24 months. Each NFT Unit consists of one non-flow-through share and one common share purchase warrant (a “NFT Warrant”), with each NFT Warrant being exercisable at \$0.10 for 36 months. FT Warrants were valued at \$47,100 and NFT Warrants were valued at \$73,600 using the residual warrant valuation method. The Company recorded a flow-through share price premium of \$94,200 in connection with the closing of the private placement.

The Company paid total finders’ fees of \$19,950 actual in cash, issued 308,000 non-flow-through shares and 1,176,000 non-transferable finders’ warrants exercisable at \$0.10 for a period of 36 months from the closing date. The warrants were valued using the Black-Scholes valuation model and the following assumptions: risk free interest rate of 3.71%; expected life in years – 3; expected volatility of 140%; 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 \$29,089.

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 \$0.20 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, 2023, the Company completed the following share transactions:

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

In December 2022, the Company closed two tranches of a private placement and issued a total of 15,098,354 flow-through units (“FT Units”) at a price of \$0.085 per FT Unit for gross proceeds of \$1,283,360. Each FT Unit consisted 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 Company recorded a flow-through share price premium of \$122,318 in connection with the closing of the private placement.

The Company paid total finders’ fees of \$82,662 in cash, and issued 888,201 non-transferable finders’ warrants exercisable at \$0.10 for a period of 36 months from the closing date. The warrants were valued at \$70,322 determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate of 3.48% to 3.57%; expected life in years – 3; expected volatility of 205% to 207%; and expected forfeiture rate – 0%. Expected volatility was based on the historical volatility of the Company’s share price.

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.

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024

(Expressed in Canadian dollars)

5. CAPITAL STOCK (Continued)

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, 2023, the Company granted 5,850,000 stock options to its officers, directors and consultants, with a weighted average exercise price of \$0.05. The estimated grant date fair value of the options was \$0.027 per option, as determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate – 4.18%; expected life in years – 5; expected volatility of 214% to 215%; dividend rate of nil; and expected forfeiture rate – 0%. Expected volatility was based on historical volatility of the share price.

The following options were outstanding as at October 31, 2024 and October 31, 2023:

	October 31, 2024		October 31, 2023	
	Number of Options	Weighted Ave Exercise Price	Number of Options	Weighted Ave Exercise Price
Opening balance	22,350,000	\$0.064	20,800,000	\$0.067
Granted	-	-	5,850,000	0.050
Exercised	-	-	(1,550,000)	0.050
Expired	(600,000)	0.050	(2,750,000)	0.064
Ending balance	21,750,000	\$0.065	22,350,000	\$0.064
Options exercisable	21,750,000	\$0.065	22,350,000	\$0.064

The following options were outstanding as at October 31, 2024 and October 31, 2023.

Expiry Date	Number of Options		Exercise Price
	2024	2023	
February 11, 2024	-	100,000	0.050
August 7, 2024	-	500,000	0.050
December 2, 2024	1,750,000	1,750,000	0.050
April 28, 2025	500,000	500,000	0.050
August 26, 2026	2,050,000	2,050,000	0.050
October 18, 2026	6,400,000	6,400,000	0.080
October 25, 2027	5,200,000	5,200,000	0.075
August 21, 2028	500,000	500,000	0.050
October 23, 2028	5,350,000	5,350,000	0.050
Outstanding	21,750,000	22,350,000	
Weighted average remaining life	2.55 years		

The 1,750,000 options with an expiry date of December 2, 2024 expired unexercised.

Share-based compensation

During the year ended October 31, 2024, the Company recognized \$nil (October 31, 2023 - \$158,799) as share-based compensation expense for options vested during the year.

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024

(Expressed in Canadian dollars)

5. CAPITAL STOCK (Continued)

Share Purchase Warrants

Share purchase warrant transactions are summarized as follows:

	Year ended October 31, 2024		Year ended October 31, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance	43,665,728	\$ 0.125	35,839,800	\$ 0.123
Issued	25,316,000	0.100	8,437,378	0.145
Expired	-	-	(611,450)	0.100
Ending balance	68,981,728	\$ 0.116	43,665,728	\$ 0.125
Warrants exercisable	68,981,728	\$ 0.116	43,665,728	\$ 0.125

As at October 31, 2024 and October 31, 2023 the following share purchase warrants were outstanding:

Expiry Date	Number of Warrants		Exercise Price
	2024	2023	
July 15, 2025 ¹	13,446,500	13,446,500	\$ 0.10
July 15, 2025 ²	7,505,000	7,505,000	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 2, 2025	4,460,500	4,460,500	0.15
December 2, 2025	535,260	535,260	0.10
December 22, 2025	3,088,677	3,088,677	0.15
December 22, 2025	352,941	352,941	0.10
December 14, 2025	4,900,000	-	0.10
December 28, 2025	4,520,000	-	0.10
December 14, 2026	13,110,000	-	0.10
December 28, 2026	2,786,000	-	0.10
Outstanding and exercisable	68,981,728	43,665,728	

- (1) The 13,446,500 July 15, 2024 warrants had an original expiry date of April 16, 2023, and were extended twice during the prior year, first to November 15, 2023 and subsequently to July 15, 2024. During the current year, they were extended to July 15, 2025.
- (2) The 7,505,000 July 15, 2024 warrants had an original expiry date of May 17, 2023, and were extended twice during the prior year, first to November 15, 2023 and subsequently to July 15, 2024. During the current year, they were extended to July 15, 2025.

6. RELATED PARTY TRANSACTIONS

The following are related party transactions that have occurred during the years ended October 31, 2024 and 2023 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, 2024 and 2023 is outlined below:

	2024	2023
Management fees	\$ 215,700	\$ 215,700
Share-based compensation	-	119,087
	\$215,700	\$ 334,787

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024

(Expressed in Canadian dollars)

6. RELATED PARTY TRANSACTIONS *(Continued)*

Included in accounts payable and accrued liabilities as at October 31, 2024 is \$248,427 (October 31, 2023- \$76,662) owed to officers and directors.

The advances from shareholder at October 31, 2024 in the amount of \$50,043 (October 31, 2023- \$nil) were advanced by a director and are non-interest bearing and have no terms of repayment.

7. CAPITAL MANAGEMENT

The Company defines its capital under management as shareholders' equity, the balance of which was \$1,115,465 at October 31, 2024 (2023 - \$2,074,823). 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, 2024. The Company is not subject to any capital requirements imposed by external bodies.

8. INCOME TAXES

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

	2024	2023
Net loss for the year	\$ (1,684,208)	\$(2,344,958)
Expected income tax recovery at 26.5%	\$ (446,315)	\$ (621,414)
Share based compensation	-	42,082
Flow-through share premium recovery	(24,963)	(39,982)
CEE incurred applied to flow-through shares	372,418	469,101
Permanent differences	-	-
Change in tax loss benefits not recognized	98,860	150,213
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:

	2024	2023
Temporary differences:		
Canadian eligible capital (CEC)	\$ 214,848	\$ 187,198
Cumulative Canadian exploration expenses	3,273,380	2,139,029
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	10,329,933	10,156,876

As at October 31, 2024, the Company has non-capital losses of \$10,329,933 (2023 - \$10,156,876) available to reduce taxable income in future years which expire in years over the period from 2027 to 2044. 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 \$1,212,820 (2023 - \$1,770,194) that qualify as Canadian Exploration Expenditures ("CEE") under the Income Tax Act (Canada) and renounced CEE expenditures in the amount of \$471,000 with an effective date of December 31, 2024 (2023 - \$1,283,360).

Copper Lake Resources Ltd.
Notes to the Financial Statements
For the Year Ended October 31, 2024
(Expressed in Canadian dollars)

9. 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.

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, 2024, the Company had current liabilities of \$1,488,816 (2023 - \$608,655).

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 1,122 in bank accounts at October 31, 2024 (2023 – USD 3,761).

10. SEGMENTED INFORMATION

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

11. CONTINGENCIES

On December 28, 2023, the Company announced and closed a non-brokered private placement and received gross flow-through proceeds of \$471,000 through the issuance of 18,840,000 flow-through units. The Company was required to incur additional qualifying expenditures of \$471,000 by December 31, 2024. This expenditure requirement was fulfilled during the year.

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.