



COPPER LAKE
RESOURCES LTD

Condensed Interim Financial Statements

**For the Three Months Ended
January 31, 2016**

(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, 2016 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, 2016	October 31, 2015
ASSETS		
Current assets		
Cash	\$ 143	\$ 16,007
Accounts receivable	7,688	3,937
	7,831	19,944
Deposits	2,457	2,457
Exploration and evaluation assets (note 3)	3,427,130	3,427,130
Total assets	\$ 3,437,418	\$ 3,449,531
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 422,034	\$ 371,230
Loan payable (note 5)	-	231,562
Advances from shareholder (note 5)	45,210	200,000
	467,244	802,792
Shareholders' equity		
Capital stock (note 4)	12,099,946	11,740,046
Advance share subscriptions (note 4)	-	5,000
Reserves (note 4)	182,103	135,411
Deficit	(9,311,915)	(9,280,410)
	2,970,134	2,646,739
Total liabilities and shareholders' equity	\$ 3,437,418	\$ 3,449,531

Going concern (Note 1)

On behalf of the Board:

"Terrence MacDonald" Director

"David Speck" Director

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.
Condensed Interim Statements of Comprehensive Loss
(Unaudited)
(Expressed in Canadian dollars)

	For the three months ended	
	January 31,	January 31,
	2016	2015
General and administrative expenses		
Consulting fees (note 5)	48,500	27,750
Directors' fees (note 5)	3,000	-
Interest (note 5)	-	8,318
Office and miscellaneous	576	4,534
Professional fees	15,222	7,692
Rent	2,000	3,511
Transfer agent and regulatory fees	4,662	6,253
Travel	4,237	-
Net loss income and comprehensive loss income for the period	\$ 78,197	\$ 58,058
Basic and diluted loss per share	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding	44,766,282	37,866,282

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)

	Shares	Capital stock Amount	Share-based payment reserve	Residual value of warrant reserve	Deficit	Total
		\$	\$	\$	\$	\$
Balance, October 31, 2014	38,266,282	11,590,218	774,887	17,063	(8,408,605)	3,973,563
Net loss and comprehensive loss for the period	-	-	-	-	(58,058)	(58,058)
Balance, January 31, 2015	38,266,282	11,590,218	774,887	17,063	(8,466,663)	3,915,505
 Balance, October 31, 2015	 41,266,282	 11,745,046	 135,411	 -	 (9,233,718)	 2,646,739
Issued in connection with debt settlement (Note 5)	7,000,000	350,000	-	46,692	-	396,692
Advance share subscriptions		(5,000)				(5,000)
Private placement	198,000	9,900				9,900
Net loss and comprehensive loss for the period	-	-	-	-	(78,197)	(78,197)
Balance, January 31, 2016	48,464,282	12,099,946	135,411	46,692	(9,311,875)	2,970,134

The accompanying notes are an integral part of these financial statements

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

	For the three months ended	
	January 31, 2016	January 31, 2015
Cash flows from operating activities:		
Loss income for the period	\$ (78,197)	\$ (58,058)
Change in non-cash working capital items:		
Accounts receivable	(3,750)	(2,124)
Prepaid expenses	-	2,619
Accounts payable and accrued liabilities	50,803	(58,870)
Net cash used in operating activities	(31,144)	(116,433)
Cash flows from investing activities:		
Deposits	-	-
Exploration and evaluation asset expenditures	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities:		
Advances from shareholder	10,340	100,000
Issuance of shares	4,900	-
Share issue costs	-	-
Net cash provided from financing activities	15,240	100,000
Increase (decrease) in cash during the period	(15,904)	(16,433)
Cash, beginning of period	16,007	34,557
Cash, end of period	\$ 143	\$ 18,124

The accompanying notes are an integral part of these financial statements

Copper Lake Resources Ltd.

Notes to the Condensed Interim Financial Statements

For the Three Months Ended January 31, 2016

(Unaudited)

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Copper Lake Resources Ltd. ("Copper Lake" or the "Company") was incorporated under the laws of the Province of British Columbia and is in the business of exploration and development of mineral resource properties. The address of the Company's head office is 501 Alliance Avenue – Suite 401, Toronto, Ontario. The Company's shares are listed on the TSX-V under the trading symbol CPL.

The Company is a mineral exploration company focused on acquiring, exploring and developing exploration and evaluation assets in Canada.

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

The Company has no source of operating cash flows, has not yet achieved profitable operations, has a working capital deficit, has accumulated losses since its inception, expects to incur further losses in the development of its business and has no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. These conditions cast significant doubt about the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations, renegotiate advances from shareholders (see note 5) and receive continued financial support from its creditors and shareholders.

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

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

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended October 31, 2015.

These condensed interim financial statements were authorized for issue by the Board of Directors on March 28, 2016.

Significant accounting policies

The policies applied in these condensed interim financial statements follow the same accounting policies and methods of application as our most recent annual financial statements. Accordingly they should be read in conjunction with our audited financial statements for the year ended October 31, 2015.

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

For the Three Months Ended January 31, 2016

(Unaudited)

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (Continued)

Functional and presentation currency

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

Use of estimates and judgments

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

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended October 31, 2015.

3. EXPLORATION AND EVALUATION ASSETS

Marshall Lake Property

The Company entered into an option agreement dated July 6, 2010 with Rainy Mountain Royalty Corp. ("Rainy Mountain") and Marshall Lake Mining Limited of London, England, whereby the Company was granted an option to earn up to a 50% interest in certain mining claims that comprise the Marshall Lake property located north-northeast of Thunder Bay, Ontario. The Company also has the option to increase its interest to 75% by incurring such additional property expenditures as are necessary to take the Marshall Lake property to a bankable feasibility stage.

Under the option agreement, the Company is required to:

- a) incur aggregate exploration expenditures of \$4,000,000 on the property, as follows:
 - (i) \$400,000 (incurred) on or before the first anniversary of August 11, 2011;
 - (ii) \$600,000 (incurred) on or before the second anniversary of August 11, 2012;
 - (iii) \$1,000,000 (incurred) on or before the third anniversary of August 11, 2013;
 - (iv) \$1,000,000 (incurred) on or before the fourth anniversary, amended to October 11, 2014; and
 - (v) \$1,000,000 on or before the fifth anniversary, amended to July 15, 2017.
- b) issue a total of 2,000,000 common shares of the Company, as follows:
 - (i) 400,000 common shares (issued at a value of \$88,000) within ten business days of the effective date of the agreement; and
 - (ii) 1,000,000 common shares (issued) to be issued on each of the first (issued at a value of \$104,000), second (issued at a value of \$60,000) and third (issued at a value of \$20,000) and fourth (issued at a value of \$24,000) anniversary dates of the Agreement.

As at January 31, 2016, the Company has earned a 37.5% joint venture interest in the Marshall Lake project.

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

For the Three Months Ended January 31, 2016

(Unaudited)

(Expressed in Canadian dollars)

EXPLORATION AND EVALUATION ASSETS (Continued)

Norton Lake Property

The Company entered into a Joint Venture Assignment Agreement dated on January 21, 2009 with Cascadia International Resources Inc. of Calgary, Alberta ("Cascadia"), pursuant to which Cascadia assigned its 51% joint venture interest in the Norton Lake property to the Company for the sum of \$300,000. The other joint venture partners are Rainy Mountain and White Metals Resources Corp. (formerly Trillium North Minerals Ltd ("White Metals")). The property is located north of Thunder Bay, Ontario and the Company is the operator. The Norton Lake Project consists of two properties, namely, the Norton West Property (the principal property) and the Norton East Property. Joint venture expenditures are being recorded by each joint venture partner on a cash call basis and as a result of the programs completed by the Company on the Norton West Property, the Company had a 57.6% interest in the Norton West Property (with Rainy Mountain having a 32.6% interest and White Metals having a 9.8% interest) and a 51% interest in the Norton East Property (with Rainy Mountain having a 9.8% interest and Trillium having a 39.2% interest). By agreement dated February 21, 2012, the Company, Rainy Mountain and White Metals combined and consolidated their respective interests in the Norton West and Norton East Properties, and as a result, the Company has a 60.70% interest in the combined Properties (with Rainy Mountain having a 30.21% interest and White Metals having a 9.09% interest). On June 29, 2015, the Company announced that it had acquired the remainder of White Metals' 9.09% interest in the Norton Lake property, thus increasing its ownership position to 69.79%.

At October 31, 2015, management identified indicators of impairment on the Norton Lake property and as a result have recorded an impairment on the property. The primary indicator of impairment was that the Company has not incurred substantive expenditure on the property in the last three years and no further expenditure is currently budgeted.

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

	Marshall Lake Property	Norton Lake Property	Total
Balance, October 31, 2013	\$ 3,147,834	\$ 1,119,250	\$ 4,267,084
Acquisition costs	24,000	-	24,000
Expenditures for the year			
Accommodation	1,659	-	1,659
Equipment rental	7,078	-	7,078
Fuel, oil and diesel	1,233	-	1,233
Field office expense	456	614	1,070
Geological and geophysical	100,210	-	100,210
Storage	494	-	494
Transportation	723	-	723
Travel	102	-	102
Total expenditures for the year	135,955	614	136,569
Balance, October 31, 2014	\$ 3,283,789	\$ 1,119,864	\$ 4,403,653
Acquisition costs	75,000	100,000	175,500
Expenditures for the year			
Geological and geophysical	65,000	-	65,000
Storage	247	-	247
Travel	3,093	-	3,093
Total expenditures for the year	143,340	100,000	243,340
Impairment charge	-	(1,219,863)	(1,219,863)
Balance, October 31, 2015 and January 31, 2016	\$ 3,427,129	\$ 1	\$ 3,427,130

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

For the Three Months Ended January 31, 2016

(Unaudited)

(Expressed in Canadian dollars)

4. CAPITAL STOCK

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

Share Issuance

On January 14, 2016 the Company announced that it has closed a previously announced non-brokered private placement, and issued 198,000 units at \$0.05 per unit for gross proceeds of \$9,900. Each unit consists of one common share and one half share purchase warrant. Each whole share purchase warrant will entitle the holder to acquire one additional common share at a price of \$0.10 for a period of 18 months from the date of issue.

Share 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 following options were outstanding as at October 31, 2015 and 2014:

	January 31, 2016		October 31, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening balance	745,000	\$0.21	920,000	\$0.24
Expired	-	0.22	(175,000)	0.45
Ending balance	745,000	\$0.21	745,000	\$0.21
Options exercisable	745,000	\$0.21	745,000	\$0.21

As at January 31, 2016, the following incentive stock options were outstanding:

	Number of Options		Exercise Price
Expiry Date	January 31, 2016	October 31, 2015	
February 16, 2016	130,000	130,000	\$0.38
May 10, 2016	48,000	48,000	\$0.30
August 31, 2016	42,000	57,000	\$0.25
July 3, 2017	280,000	355,000	\$0.16
August 29, 2017	245,000	270,000	\$0.16
Outstanding and exercisable	745,000	745,000	

The 130,000 February 16, 2016 options expired unexercised subsequent to period end.

Share Purchase Warrants

Share purchase warrant transactions are summarized for the following three month periods:

	January 31, 2016		October 31, 2015	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance		\$ 0.26	262,500	\$ 0.26
Expired	(262,500)	0.26	(262,500)	0.26
Issued	904,950	0.10		
Ending balance	904,950	\$ 0.10	-	\$ -
Warrants exercisable	-	\$ -	-	\$ -

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

For the Three Months Ended January 31, 2016

(Unaudited)

(Expressed in Canadian dollars)

5. RELATED PARTY TRANSACTIONS

The following are related party transactions that have occurred during the three months ended January 31, 2016, which have not yet otherwise been disclosed herein.

The Company paid or accrued the following amounts to directors, companies controlled by directors or companies having common directors during the three months ended January 31:

	2016	2015
Interest	\$ -	\$ 8,318
Rent	2,000	3,511
	\$ 2,000	\$ 11,829

Key management personnel compensation

Key management includes directors and other key personnel, including the CEO, President and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company. The compensation paid to these key management personnel for the years ended October 31, 2015 and 2014 is outlined below:

	2016	2015
Consulting fees	\$ 48,500	\$ 27,250
Directors fees	3,000	-
	\$ 51,500	\$ 27,250

On December 10, 2015 the Company completed a debt settlement with Prairie Enterprises (Alberta) Inc., a company controlled by a director, whereby the Company issued 7,000,000 common shares and 900,000 share purchase warrants to settle debt in the amount of \$396,692. The share purchase warrants have an exercise price of \$0.10 and expire 18 months from the date of issue.

During the three months ended January 31, 2016 a shareholder who is also a director and officer advanced funds to the Company totaling \$10,340 (2015 \$100,000). The advance is unsecured, non-interest bearing and has no terms of repayment.

6. COMMITMENTS

On November 1, 2015, the Company entered into a one-year consulting agreement with Coombes & Sons Administration Inc., a company controlled by Mr. Ron Coombes who is a director and officer of the Company, to provide services at a cost of \$10,000 per month. On February 29, 2016 Mr. Coombes resigned as both a director and officer of the Company and the agreement was terminated.

The Company has no other commitments.