

Unaudited Condensed Interim Consolidated Financial Statements of



**COPPER FOX METALS INC.**

As At and For the Three and Six Months Ended

April 30, 2015

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, "Continuous Disclosure Obligations", Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

The Company's independent auditors have not performed a review of these unaudited interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

# COPPER FOX METALS INC.

Interim Consolidated Statements of Financial Position (unaudited)

As at April 30, 2015 and October 31, 2014

	30-Apr-15	31-Oct-14
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 3,571,639	\$ 1,654,521
Trade and other receivables (note 5)	1,440,625	4,904,951
Prepaid expenses and deposits	317,189	322,799
<b>Total current assets</b>	<b>5,329,453</b>	<b>6,882,271</b>
Non-current assets		
Investments (note 7)	764,305	764,305
Exploration & evaluation assets (note 5)	73,370,533	72,224,682
Property and equipment (note 4)	188,763	196,365
<b>Total assets</b>	<b>\$ 79,653,054</b>	<b>\$ 80,067,623</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Trade and other payables	\$ 346,335	\$ 580,327
Non-current liabilities		
Decommissioning liabilities (note 8)	225,343	214,781
Deferred tax liabilities	3,109,742	3,109,742
<b>Total liabilities</b>	<b>3,681,420</b>	<b>3,904,850</b>
Shareholders' equity		
Share capital (note 9)	74,035,461	74,035,461
Share purchase warrants (note 9)	196,623	196,623
Contributed surplus	15,823,771	15,823,771
Non controlling interest (note 6)	2,609,320	2,592,674
Currency translation reserve	1,265,460	543,026
Deficit	(17,959,001)	(17,028,782)
<b>Total shareholders' equity</b>	<b>75,971,634</b>	<b>76,162,773</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 79,653,054</b>	<b>\$ 80,067,623</b>
Reporting entity and nature of operations (note 1)		
Commitments (note 12)		
Subsequent event (note 14)		

See accompanying notes to interim consolidated financial statements.

# COPPER FOX METALS INC.

Interim Consolidated Statements of Comprehensive Loss (unaudited)  
Three and six months ended April 30, 2015 and April 30, 2014

	Three Months Ended		Six Months Ended	
	April 30, 2015	April 30, 2014	April 30, 2015	April 30, 2014
Expenses:				
Administration	\$ 396,207	\$ 321,035	\$ 705,270	\$ 679,892
Depreciation, amortization and accretion	8,794	4,811	17,394	15,014
Professional fees	23,898	308,732	414,646	406,444
Share based compensation	29,500	-	34,500	-
Interest income	(108,039)	(20,608)	(109,806)	(20,608)
Net loss	350,360	613,970	1,062,004	1,080,742
Other comprehensive loss				
Foreign currency translation of US Subs	503,904	154,681	(722,434)	(132,653)
Total comprehensive loss	\$ 854,264	\$ 768,651	\$ 339,570	\$ 948,089
Net loss attributable to				
Common shareholders	\$ 283,241	\$ 613,970	\$ 930,218	\$ 1,080,742
Non-controlling interest	67,119	-	131,786	-
Net loss	\$ 350,360	\$ 613,970	\$ 1,062,004	\$ 1,080,742
Total comprehensive loss attributable to:				
Common shareholders	\$ 787,145	\$ 768,651	\$ 207,784	\$ 948,089
Non-controlling interest	67,119	-	131,786	-
Total comprehensive loss	\$ 854,264	\$ 768,651	\$ 339,570	\$ 948,089
Loss per share - basic and diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of shares (note 10)	407,660,044	404,740,044	407,660,044	404,740,044

See accompanying notes to interim consolidated financial statements.

# COPPER FOX METALS INC.

Interim Consolidated Statements of Changes in Equity (unaudited)  
Six months ended April 30, 2015 and April 30, 2014

	Share Capital	Warrants	Contributed Surplus	Currency Translation Reserve	NCI	Deficit	Total Shareholder's Equity
Balance as at October 31, 2014	\$ 74,035,461	\$ 196,623	\$ 15,823,771	\$ 543,026	\$ 2,592,674	\$ (17,028,782)	\$ 76,162,773
Currency translation adjustment	-	-	-	722,434	-	-	722,434
Adjustment to NCI	-	-	-	-	148,431	-	148,431
Net loss for the period	-	-	-	-	(131,785)	(930,219)	(1,062,004)
Balance as at April 30, 2015	\$ 74,035,461	\$ 196,623	\$ 15,823,771	\$ 1,265,460	\$ 2,609,320	\$ (17,959,001)	\$ 75,971,634

	Share Capital	Warrants	Contributed Surplus	Currency Translation Reserve	NCI	Deficit	Total Shareholder's Equity
Balance as at October 31, 2013	\$ 73,259,655	\$ 2,424,210	\$ 13,993,590	\$ -	\$ -	\$ (15,835,791)	\$ 73,841,664
Warrants expired	-	(2,227,587)	2,227,587	-	-	-	-
Currency translation adjustment	-	-	-	132,653	-	-	132,653
Net loss for the period	-	-	-	-	-	(1,080,742)	(1,080,742)
Balance as at April 30, 2014	\$ 73,259,655	\$ 196,623	\$ 16,221,177	\$ 132,653	\$ -	\$ (16,916,533)	\$ 72,893,575

See accompanying notes to interim consolidated financial statements.

# COPPER FOX METALS INC.

Interim Consolidated Statements of Cash Flows (unaudited)  
Six months ended April 30, 2015 and April 30, 2014

	Six Months Ended	
	April 30, 2015	April 30, 2014
Cash provided by (used in):		
Operations:		
Net income/(loss) for the period	\$ (1,062,004)	\$ (1,080,742)
Accrued interest		
Depreciation, amortization and accretion	17,394	15,014
Share based compensation (Carmax)	34,500	-
Change in non-cash working capital	(372,541)	
Net cash used in operating activities	(1,382,651)	(1,065,728)
Financing:		
Receipt of Mineral Exploration Tax Credit	3,521,197	
Proceeds from issue of shares and warrants (Carmax)	222,950	-
Net cash from financing activities	3,744,147	-
Investing:		
Acquisition of Carmax shares	(109,023)	-
Mineral property expenditures	(1,145,080)	(1,599,817)
Acquisition of property and equipment	-	(4,899)
Change in non-cash working capital	752,769	515,687
Net cash used in investing activities	(501,334)	(1,089,029)
Increase/(decrease) in cash and cash equivalents during period	1,860,162	(2,154,757)
Effect of translation of foreign currency cash	56,956	-
Cash and cash equivalents, beginning of period	1,654,521	8,800,237
Cash and cash equivalents, end of period	\$ 3,571,639	\$ 6,645,480

See accompanying notes to interim consolidated financial statements.

## **COPPER FOX METALS INC.**

### **Notes to the Interim Consolidated Financial Statements (Unaudited) Six months ended April 30, 2015 and 2014**

#### **1. Reporting entity and nature of operations**

Copper Fox Metals Inc. ('Copper Fox' or the 'Company') was incorporated under the Business Corporations Act of Alberta. On July 14, 2010 the Company transferred its registration from Alberta and became incorporated under the Business Corporations Act of British Columbia. The Company is engaged in the exploration for and development of porphyry copper mineral properties. Copper Fox's shares trade on the TSX Venture Exchange ('TSX-V') under the trading symbol CUU. To date, the Company has not earned any revenue from these operations and is considered to be in the exploration and evaluation stage. The Company recognizes the potential need to obtain debt or equity financing to fund future exploration programs. There is no guarantee the Company will be successful in raising additional funds.

The Company's registered office is Suite 650, 340 – 12 Avenue SW, Calgary, AB. These consolidated financial statements include the accounts of the Company and the accounts of its subsidiaries.

#### **2. Basis of presentation and significant accounting policies**

These interim consolidated financial statements have been prepared in accordance and in compliance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and interpretations of the International Financial Reporting Interpretations Committee ('IFRIC').

These interim consolidated financial statements follow the same accounting policies and methods of computation as outlined in note 2 of the Company's consolidated audited financial statements for the year ended October 31, 2014, except as noted below in note 3 of these interim consolidated financial statements. These interim consolidated financial statements do not include all of the information required for the annual financial statements.

These interim consolidated financial statements were approved for issuance by the Board of Directors on June 17, 2015.

#### **3. Recent accounting pronouncements**

In December 2011, "Offsetting Financial Assets and Financial Liabilities", amendments to IAS 32 "Financial Instruments: Presentation" was published by the IASB. These amendments clarify the requirements for offsetting financial instruments. The amendments introduce new disclosure requirements for financial assets and financial liabilities that are offset in the Consolidated Balance Sheets, or are subject to enforceable master netting arrangements or similar agreements. The amendments to IAS 32 are applied retrospectively for annual periods beginning on or after January 1, 2014. The adoption of these standards had no impact on the amounts recorded in the financial statements for the periods presented in these consolidated interim financial statements.

On November 1, 2014, the Company adopted IFRIC 21 Levies. IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that no liability should be

recognized before the specified minimum threshold to trigger that levy is reached. The adoption of this standard had no impact on the amounts in these consolidated interim financial statements.

#### 4. Property and equipment

	Cost	Accumulated Amortization	Net Book Value April 30, 2015	Net Book Value October 31, 2014
Computer equipment	\$ 82,544	\$ 65,176	\$ 17,368	\$ 20,432
Furniture & equipment	46,887	37,540	9,347	10,386
Buildings	137,250	78,601	58,649	61,735
Heavy equipment	173,332	155,904	17,428	20,504
Field Equipment Eaglehead	8,500	8,500	-	771
Asset retirement obligation	159,498	73,527	85,971	82,537
	\$ 608,011	\$ 419,248	\$ 188,763	\$ 196,365

Property and equipment are stated at cost which includes the acquisition price and any direct costs to bring the asset into productive use at its intended location.

#### 5. Exploration and evaluation assets

	Balance October 31, 2014	Additions	Balance April 30, 2015
Arizona properties			
Van Dyke Project			
Acquisition of property rights	\$ 2,585,093	\$ -	\$ 2,585,093
Technical analysis	4,590,127	385,590	4,975,717
Licenses and permits	56,029	-	56,029
Foreign Exchange	272,258	559,536	831,794
Total Van Dyke Project	7,503,507	945,126	8,448,633
Sombrero Butte Project			
Acquisition of property rights	\$ 847,819	\$ -	\$ 847,819
Technical analysis	167,304	13,232	180,536
Licenses and permits	64,466	-	64,466
Foreign Exchange	86,712	87,189	173,901
Total Sombrero Butte Project	1,166,301	100,421	1,266,722
Total Arizona properties	8,669,808	1,045,547	9,715,355



British Columbia Properties			
Schaft Creek			
Acquisition of property rights	\$ 3,053,755	\$ -	\$ 3,053,755
Technical analysis	61,816,854	22,900	61,839,754
Licenses and permits	106,623	-	106,623
Sub-total Schaft Creek	64,977,232	22,900	65,000,132
BC mineral exploration tax credit	(4,427,812)	-	(4,427,812)
Total Schaft Creek	60,549,420	22,900	60,572,320
Eaglehead			
Technical analysis	\$ 3,005,454	\$ 77,404	\$ 3,082,858
Total Eaglehead	3,005,454	77,404	3,082,858
Total mineral properties	\$ 72,224,682	\$ 1,145,851	\$ 73,370,533

	Balance October 31, 2013	Additions	Balance October 31, 2014
Arizona properties			
Van Dyke Project			
Acquisition of property rights	\$ 2,559,781	\$ 25,312	\$ 2,585,093
Technical analysis	451,963	4,138,164	4,590,127
Licenses and permits	48,078	7,951	56,029
Foreign Exchange	21,883	250,374	272,258
Total Van Dyke Project	3,081,705	4,421,802	7,503,507
Sombrero Butte Project			
Acquisition of property rights	\$ 701,205	\$ 146,614	\$ 847,819
Technical analysis	96,426	70,878	167,304
Licenses and permits	38,511	25,955	64,466
Foreign Exchange	22,777	63,935	86,712
Total Sombrero Butte Project	858,919	307,382	1,166,301
Total Arizona properties	3,940,624	4,729,184	8,669,808
British Columbia Properties			
Schaft Creek			

Acquisition of property rights	\$	3,053,755	\$	-	\$	3,053,755
Technical analysis		61,750,009		66,845		61,816,854
Licenses and permits		106,623		-		106,623
Sub-total Schaft Creek		64,910,387		66,845		64,977,232
BC mineral exploration tax credit		(4,427,812)		-		(4,427,812)
Total Schaft Creek		60,482,575		66,845		60,549,420
Eaglehead						
Technical analysis		-		3,005,454		3,005,454
Total Eaglehead		-		3,005,454		3,005,454
Total mineral properties	\$	64,423,199	\$	7,801,483	\$	72,224,682

During the year ended October 31, 2013, the Company entered into an agreement with Teck Resources Limited ('Teck') to jointly develop the Schaft Creek project in northwestern British Columbia. The agreement replaces and supersedes the 2002 option agreement between Teck and Copper Fox in connection with Schaft Creek and gives Teck a 75% interest and Copper Fox a 25% interest in the Schaft Creek project with Teck as the operator.

In addition to Copper Fox's interest in the Schaft Creek Joint Venture, Copper Fox holds, through Desert Fox Copper Inc. ('Desert Fox') and its wholly-owned subsidiaries, the Sombrero Butte Copper Project located in the Bunker Hill District, Pinal Co., Arizona and the Van Dyke Copper Project located in the Globe-Miami District, Gila Co., Arizona.

Also, the Company holds a controlling interest in Carmax which holds the Eaglehead property located in northwestern British Columbia (see note 6).

For the three and six months ended April 30, 2015 the Company capitalized \$33,597 (2014 - \$20,454) and \$84,096 (2014 - \$45,586) of technical services provided by its officers and directors.

At April 30, 2015, the Company has recorded \$4,427,812 (October 31, 2014 - \$4,427,812) for Mineral Exploration Tax Credit claims which have been recorded as a reduction of exploration and evaluation expenditures. The Company received \$3.5 million of this refund on March 12, 2015. The balance of this credit is recorded as a current receivable on the Company's statement of financial position.

## 6. Non-controlling interest

On January 14, 2015 the Company closed a private placement with Carmax by exercising its pre-emptive right to maintain its' pro rata percentage shareholding of 42.09%. The Company paid \$109,023 for 2,180,450 units of Carmax. Each unit consists of one common share and one common share purchase warrant. The total issued and outstanding shares of Carmax is 60,742,524 of which Copper Fox holds 25,566,528 (42.09%).

The Company has determined that it controls Carmax notwithstanding that it owns less than 50% of the voting interests. The factors the Company considered in making this determination include the size of its block of voting shares, the relative size and dispersion of holdings by other shareholders and the current warrants held by the Company.

The non-controlling interest is as follows:

	Ownership interest held by NCI at April 30
Name	2015
Carmax Mining Corp	57.91%

The following is summarized financial information for Carmax before any intercompany eliminations:

	Carmax April 30 2015
Total comprehensive loss	\$ 227,569
Total comprehensive loss attributable to non-controlling interest	131,785
Current assets	630,696
Non-current assets	8,469,140
Current liabilities	(14,937)
Non-current liabilities	(35,185)
Consolidation fair value adjustments	(4,543,894)
Net assets	4,505,820
Net assets attributable to non-controlling interest	2,609,320
Cash flows from operating activities	(227,569)
Cash flows from investing activities	(77,404)
Cash flows from financing activities	222,950
Net decrease in cash and cash equivalents	(82,023)

## 7. Investments

Copper Fox holds 29,342 shares of Liard Copper Mines Ltd. ('Liard'), a private company incorporated in British Columbia. These shares are listed at a value of \$759,305. Liard holds a 30% net proceeds interest royalty in the Schaft Creek project. The shares held by Copper Fox are in addition to the shares held by the joint venture and represent approximately 1.55% of the issued and outstanding shares of Liard.

Through Carmax, the Company holds 100,000 common shares in Alexandra Minerals Corporation, an incorporated public company, quoted at market value of \$5,000.

## 8. Decommissioning liabilities

The Company's decommissioning liabilities relate to the Company's share of reclamation and closures costs of the Schaft Creek Property. The total decommissioning liability is based on the Company's estimated costs to reclaim and abandon the property and facilities and the estimated timing of the costs to be incurred in future years. The Company has estimated the net present value of its share the decommissioning liabilities of Schaft Creek to be \$190,157 at April 30, 2015 (October 31, 2014 - \$179,877) based on an undiscounted and inflated future liability of \$200,368 (October 31, 2014 - \$209,188). These payments are expected to be made in the next 6.50 years.

The Company's estimated risk free rate of 1.41% (October 31, 2014 – 2.18%) and an inflation rate of 2.27% (October 31, 2014 – 2.17%) were used to calculate the present value of the decommissioning liabilities.

Also included in the decommissioning liabilities is the amount for the Eaglehead property acquired.

Balance, October 31, 2013	\$	167,176
Revisions		8,724
Accretion		3,977
Acquisition of Carmax		34,904
Balance, October 31, 2014	\$	214,781
Revisions		8,859
Accretion		1,421
Acquisition accretion - Carmax		282
Balance, April 30, 2015	\$	225,343

## 9. Share capital

### (a) Authorized

Authorized share capital consists of an unlimited number of common shares and an unlimited number of first and second preferred shares, without par value, of which none have been issued. Issued and outstanding shares are as follows:

Common Shares	Number	Amount
Balance, October 31, 2012	397,647,992	\$ 79,484,847
Non Flow through shares issued	5,122,934	4,153,000
Return of capital to shareholders	-	(11,130,351)
Value ascribed to warrants issued	-	(575,303)
Options exercised	1,969,118	811,250

Transfer from contributed surplus on option exercise	-	516,212
Balance, October 31, 2013	404,740,044	\$ 73,259,655
Options exercised	2,920,000	378,400
Transfer from contributed surplus on option exercise	-	397,406
Balance, October 31, 2014 and April 30, 2015	407,660,044	\$ 74,035,461

*(b) Warrants*

Share Purchase Warrants	Number	Amount
Balance, October 31, 2012	14,952,602	\$ 4,771,977
Issued	5,122,934	575,303
Expired	(9,673,913)	(2,923,070)
Balance, October 31, 2013	10,401,623	2,424,210
Expired	(7,043,395)	(2,227,587)
Balance, October 31, 2014 and April 30, 2015	3,358,228	\$ 196,623

As of April 30, 2015, the Company has warrants outstanding entitling the holders to acquire common shares as follows:

Exercise Price	Expiry Date	Fair Value	Number of Warrants	Fair Value Amount
1.00	8-Apr-15	\$ 0.0585	3,358,228	\$ 196,623

*(c) Stock option plan*

The number of shares reserved for issuance under the Company's stock option plan is limited to 10% of the number of shares which are issued and outstanding on the date of a particular grant of options. Under the plan, the Board of Directors determines the term of a stock option to a maximum of 10 years, the period of time during which the options may vest and become exercisable as well as the option exercise price which shall not be less than the closing price of the Company's share on the Toronto Stock Exchange immediately preceding the date of grant. The Compensation Committee determines and makes recommendations to the Board of Directors as to the recipients of, and nature and size of, share-based compensation awards in compliance with applicable securities law, stock exchange and other regulatory requirements.

A summary of changes in the Company's outstanding stock options is presented below:

Balance, October 31, 2012	10,785,000
Issued	635,000
Exercised	(1,969,118)
Expired	(1,040,882)
Balance, October 31, 2013	8,410,000
Exercised	(2,920,000)

Expired	(3,840,000)
Balance, October 31, 2014 and April 30, 2015	1,650,000

Options outstanding are as follows:

Exercise Price	Issue Date	Expiry Date	Balance Outstanding	Balance Vested
\$1.69	Mar-11	Mar-16	1,050,000	1,050,000
\$1.04	May-12	Apr-17	600,000	600,000
			1,650,000	1,650,000

## 10. Weighted average number of shares

Per share amounts are computed by dividing net loss for the period by the weighted average number of shares outstanding. In computing per share amounts the weighted average number of shares outstanding during the three and six months ended April 30, 2015 was 407,660,044 (2014 – 404,740,044) common shares. Stock options and warrants granted by the Company have not been included in the computation of diluted per share amounts as they are anti-dilutive.

## 11. Related party transactions

During the three and six months ended April 30, 2015, directors and officers of the Company incurred Nil (2014 - \$3,750) and Nil (2014 - \$69,750) for management and technical services on behalf of the Company. At April 30, 2015, Nil (2014 – Nil) is included in accounts payable.

## 12. Commitments

The Company has a commitment with respect to its office lease in Calgary as follows:

Period	2015	2016	2017	2018	2019
Amount	\$ 55,341	\$ 110,682	\$ 112,031	\$ 116,078	\$ 87,058

The Company is required to pay US \$390,000 (CDN \$472,641) under the Sombrero Butte acquisition agreement. The next payment of US \$130,000 (CDN \$157,547) is due on October 15, 2015 and on each October 15 thereafter with the final payment being in 2017.

In the Schaft Creek joint arrangement, the Company is responsible for 25% of pre-production costs beyond \$60 million and 25% of capital costs following a production decision. Copper Fox's pro rata share of any pre-production costs in excess of \$60 million will be funded by Teck and the two remaining direct cash payments payable to Copper Fox (based on certain milestones being achieved) will be reduced by an equivalent amount, and Teck will fund any additional costs incurred prior to a production decision, if required, by way of loan to Copper Fox to the extent of its pro rata share, without dilution to Copper Fox's 25% joint venture interest.

### 13. Geographic segments

	Three Months Ended		Six Months Ended	
	April 30, 2015	April 30, 2014	April 30, 2015	April 30, 2014
Net loss				
Canada	\$ 263,479	\$ 422,838	\$ 872,886	\$ 719,574
United States	86,881	191,132	189,118	361,168
	\$ 350,360	\$ 613,970	\$ 1,062,004	\$ 1,080,742
Capital expenditures				
Canada	\$ 56,592	\$ 96,683	\$ 100,304	\$ 85,806
United States	(271,934)	876,946	1,045,547	1,646,664
	\$ (215,342)	\$ 973,629	\$ 1,145,851	\$ 1,732,470

As At	April 30, 2015	October 31, 2014
Total assets		
Canada	\$ 69,818,328	\$ 71,204,534
United States	9,834,726	8,863,089
	\$ 79,653,054	\$ 80,067,623

### 14. Subsequent Event

On May 1, 2015, the Company closed a \$550,000 private placement in the equity of Carmax. The private placement consists of 11,000,000 Units at a cost of \$0.05 per Unit. The Units (each a "Unit") were subscribed for at a price of \$0.05 per Unit and consisted of one previously unissued common share ("Share") and one common share purchase warrant ("Warrant") of Carmax. Each Warrant is exercisable for a period of 24 months from the closing date of the private placement and entitles the holder, on exercise, to purchase one additional common share of Carmax at a price of \$0.075 per share.

Copper Fox now beneficially owns and controls 36,566,528 common shares of Carmax, representing approximately 50.97% of the issued and outstanding common shares of Carmax on an undiluted basis (based on a total of 71,742,525 common shares of Carmax issued and outstanding). Copper Fox also holds Warrants which, collectively, entitle Copper Fox to indirectly acquire an additional 36,566,528 common shares of Carmax.

All of the Carmax's securities beneficially owned and controlled by Copper Fox are registered in the name of Northern Fox.