Unaudited Financial Statements of

COPPER FOX METALS INC.

Three months ended January 31, 2010 and 2009

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, 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 financial statements of Copper Fox Metals Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of the interim financial statements to these interim 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 auditor.

Signed: Elmer Stewart

Elmer Stewart
President and CEO

Signed: Murray Hunter

Murray Hunter
Chief Financial Officer

COPPER FOX METALS INC.

Balance sheets
As at January 31, 2010 and October 31, 2009
(unaudited)

		31-Jan-10		31-Oct-09
Assets				
Current assets:				
Cash and cash equivalents	$	613,641	$	2,638,927
Accounts receivable		84,762		62,933
Prepaid expenses and deposits		1,008,041		349,603
		1,706,444		3,051,463
Mineral properties (Note 7)		11,009,047		9,855,549
Property and equipment (Note 6)		623,010		648,751
	$	13,338,501	$	13,555,763
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	403,354	$	507,122
Asset retirement obligations (note 11)		352,077		345,055
Shareholders' equity:				
Share capital (note 8)		37,451,577		37,182,648
Share purchase warrants (note 8)		3,154,792		3,216,446
Contributed surplus (note 8)		8,421,713		8,302,682
Deficit		(36,445,012)		(35,998,190)
		12,583,070		12,703,586
	$	13,338,501	$	13,555,763
Going concern (note 2)				
Commitments (note 12)				
Related party transactions (note 10)				

See accompanying notes to financial statements.

On behalf of the Board:

(Signed)
Elmer Stewart, Director

(Signed)
J. Michael Smith, Director

COPPER FOX METALS INC.

Statements of loss and comprehensive loss and deficit
Three months ended January 31, 2010 and 2009
(unaudited)

	2010	2009
Expenses:		
Administration	$ 147,079	$ 157,106
Amortization and accretion	34,327	41,828
Professional fees	104,593	72,681
Processing fees	18,136	5,214
Property write down	-	31,000,000
Rent	7,559	12,774
Stock based compensation (note 8)	119,031	(5,291)
Travel	25,934	19,063
Exchange (gain)/loss	(9,607)	-
Interest income	(230)	(370)
Loss before income taxes	446,822	31,303,005
Future income tax reduction	-	(2,167,646)
Net loss and comprehensive loss	446,822	29,135,359
Deficit, beginning of period	35,998,190	7,473,586
Deficit, end of period	$ 36,445,012	$ 36,608,945
Loss per share – basic and diluted (note 9)	$ (0.00)	$ (0.26)

See accompanying notes to financial statements.

COPPER FOX METALS INC.

Statements of cash flows
Three months ended January 31, 2010 and 2009
(unaudited)

	2010	2009
Cash provided by (used in):		
Operations:		
Net loss for the period	$ (446,822)	$ (29,135,359)
Items not involving cash:		
Amortization and accretion	34,327	41,828
Mineral property write down	-	31,000,000
Stock-based compensation	119,031	(5,291)
Future income tax reduction	-	(2,167,646)
Change in non-cash working capital	(724,206)	1,043,553
	(1,017,670)	777,085
Financing:		
Issue of shares and warrants, net of issue costs	207,275	-
Investing:		
Mineral property expenditures	(1,153,498)	(461,375)
Additions to property and equipment	(1,564)	-
Net change in non-cash working capital	(59,829)	(988,966)
	(1,214,891)	(1,450,341)
Decrease in cash during period	(2,025,286)	(673,256)
Cash and cash equivalents, beginning of period	2,638,927	939,462
Cash and cash equivalents, end of period	$ 613,641	$ 266,206
Supplementary information:		
Interest received	$ 230	$ 370

See accompanying notes to financial statements.

1. COMPANY OPERATIONS

Copper Fox Metals Inc. ("Copper Fox" or the "Company") is incorporated under the Business Corporations Act of Alberta and is engaged in the exploration for and development of mining properties in Western Canada. Since inception, the efforts of the Company have been devoted to identifying exploration and production licenses for acquisition and conducting exploration activities thereon. To date, the Company has not earned any revenue from these operations and is considered to be in the exploration and development stage.

2. GOING CONCERN

These financial statements have been prepared by management in accordance with accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

At January 31, 2010, the Company had working capital of $1,303,089 and a deficit of $36,445,012 and had incurred a net loss of $446,822 for the quarter. The Company's mineral license is in the exploration stage.

Additional sources of financing will be necessary for the Company to continue exploration and development of its property. Management is seeking equity financing for the Company and although management has been successful in the past, there is no assurance that these initiatives will be successful in the future.

These financial statements have been prepared on the basis that the Company will be able to discharge its obligations and realize its asset in the normal course of business at the values at which they are carried in these financial statements, and that the Company will be able to continue its business activities. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption be inappropriate, and these adjustments could be material.

3. ACCOUNTING POLICIES

These interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the year ended October 31, 2009. The disclosures included below are incremental to those included with the annual financial statements.

ACCOUNTING POLICIES (continued)

These interim financial statements should be read in conjunction with the financial statements and notes thereto for the year ended October 31, 2009.

4. INTERNATIONAL REPORTING STANDARDS

In February, 2008, the CICA Accounting Standards Board ("AcSB") confirmed the changeover to International Financial Reporting Standards ("IFRS") from Canadian GAAP will be required for publicly accountable enterprises' interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Copper Fox will be required to begin reporting under IFRS for its fiscal year beginning November 1, 2011. The eventual changeover to IFRS represents a change due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

5. CAPITAL MANAGEMENT

The Company considers its capital structure to include shareholders' equity and working capital. In order to operate, the Company from time to time issues shares to fund its capital spending and operational needs.

In order to facilitate the management of its capital requirements, the Company prepares annual capital and administrative expenditure budgets that are updated as necessary. The annual and updated budgets are approved by the Board of Directors.

The Company's share capital is not subject to any external restriction. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

6. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and consist of the following:

	Cost	Accumulated Amortization	Net Book Value January 31, 2010	Net Book Value October 31, 2009
Buildings	$ 549,000	$ 137,019	$ 411,981	$ 422,544
Property & equipment	601,598	408,483	193,115	208,376
Leasehold improvements	1,197	848	349	367
Computer equipment	45,963	28,398	17,565	17,464
	$ 1,197,758	$ 574,748	$ 623,010	$ 648,751

7. MINERAL PROPERTIES

	Balance October 31, 2009	Expenditures	Balance January 31, 2010
Acquisition of property rights	$ 100	$ -	$ 100
Technical analysis	40,474,700	1,153,498	41,628,198
Licenses and permits	106,623	-	106,623
Asset retirement costs	274,126	-	274,126
	40,855,549	1,153,498	42,009,047
Property write down	(31,000,000)	-	(31,000,000)
	$ 9,855,549	$ 1,153,498	$ 11,009,047

Copper Fox is a Canadian-based resource company listed on the TSX-Venture Exchange (CUU). Copper Fox's activities are focused exclusively on Schaft Creek, one of the largest undeveloped copper, gold, molybdenum and silver deposits in Canada.

Copper Fox holds a 100% interest in the Schaft Creek project, subject to 30% net proceeds interest royalty held by Liard Copper Mines Limited ("Liard") and Teck Resources Limited's ("Teck") earn-back option. Teck owns 78% of Liard which equates to a 23.4% indirect interest in the Schaft Creek Project (the "indirect interest"). Under the agreement, Copper Fox can also acquire Teck's Liard shareholding (indirect 23.4% interest in the Schaft Creek Project) by completing a Positive Bankable Feasibility Study [as defined in the Agreement] on the Schaft Creek deposit thereby increasing its direct and indirect ownership in the Schaft Creek Project to 93.4%. Teck may at any time elect to exercise its earn-back option and upon receipt of the Positive Bankable Feasibility Study on the Schaft Creek deposit, Teck must elect within 120 days to make election to: i) exercise its earn-back options, ii) retain a 1% net smelter return royalty, or iii) receive shares of Copper Fox to a value of $1,000,000.

The earn-back options allow Teck the right to elect to acquire a 20%, a 40% or a 75% project interest from Copper Fox by respectively incurring either 100%, 300% or 400% of Copper Fox's expenditures on the Schaft Creek Project under the Agreement. In the event Teck elects to earn-back a 75% interest in the Schaft Creek Project, Teck will also be responsible for arranging Copper Fox's share of project financing.

For the three months ended January 31, 2010 the Company has capitalized $127,568 (2009 - $7,500) of management and technical services provided by its directors (see note 8).

8. SHAREHOLDERS' EQUITY

(a) Authorized:

Unlimited number of common shares.
Unlimited number of first and second preferred shares, of which none have been issued.

(b) Issued and outstanding:

Common Shares	Number	Amount
Balance, October 31, 2008	112,501,585	$ 35,003,704
Non Flow through shares issued	129,855,075	8,000,000
Value ascribed to warrants		(3,165,101)
Share issue costs		(298,647)
Future taxes on renounced expenditures		(2,357,308)
Balance, October 31, 2009	242,356,660	$ 37,182,648
Warrants exercised	2,763,663	207,275
Value ascribed to warrants on exercise		61,654
	245,120,323	$ 37,451,577

(c) Share purchase warrants:

Share Purchase Warrants	Number	Amount
Balance, October 31, 2008	17,006,225	$ 2,759,123
Issued	119,938,894	3,216,446
Expired	(17,006,225)	(2,759,123)
Balance, October 31, 2009	119,938,894	$ 3,216,446
Exercised	(2,763,663)	(61,654)
Balance, January 31, 2010	117,175,231	$ 3,154,792

As at October 31, 2009, warrants to purchase common shares are outstanding as follows:

Exercise Price	Expiry Date	Fair Value	Number of Warrants	Amount
$ 0.075	1-Jun-10	$ 0.02	10,968,759	$ 213,729
0.075	16-Jun-10	0.02	8,156,509	187,671
0.075	13-Jul-10	0.02	86,163,622	1,922,222
0.115	21-Oct-10	0.07	11,886,341	831,170
			117,175,231	$ 3,154,792

SHAREHOLDERS' EQUITY (continued)

(d) Contributed surplus:

Balance, October 31, 2008		4,920,997
Stock based compensation		622,562
Warrants expired		2,759,123
Balance, October 31, 2009		8,302,682
Stock based compensation		119,031
Balance, January 31, 2010	$	8,421,713

(e) Stock options:

There are 12,485,000 stock options outstanding at January 31, 2010 with weighted average price of $0.4096 per share. Options expire five years from the grant date. The outstanding options expire between February 2011 and September 2014. There are 11,929,441 options vested at January 31, 2010 with weighted average price of $0.4240 per share.

Options	Number Of Options
Balance, October 31, 2008	8,898,000
Issued	4,700,000
Expired	(2,113,000)
Balance, October 31, 2009	11,485,000
Issued	1,000,000
Balance, January 31, 2010	12,485,000

The fair value of stock options vested during the period ended January 31, 2010 were from $0.089 to $0.114 per option, resulting in compensation expense of $119,031 (2009 – ($5,292)). This amount is recorded to contributed surplus and upon exercise will be recorded as an increase to share capital.

SHAREHOLDERS' EQUITY (continued)

Outstanding options at January 31, 2010 are as follows:

Exercise Price	Issue Date	Expiry Date	Balance Outstanding	Balance Vested
$0.51	Jul-06	Jul-11	1,485,000	1,485,000
$0.56	Sep-06	Feb-11	140,000	140,000
$0.78	Feb-07	Feb-12	775,000	775,000
$0.97	Feb-07	Feb-12	1,360,000	1,360,000
$0.78	Sep-07	Sep-12	400,000	400,000
$0.85	Nov-07	Nov-12	200,000	200,000
$0.45	Jun-08	Jun-13	2,425,000	2,425,000
$0.10	Jul-09	Jul-14	1,000,000	444,441
$0.15	Oct-09	Sep-14	3,700,000	3,700,000
$0.15	Nov-09	Sep-14	1,000,000	1,000,000
			12,485,000	11,929,441

9. PER SHARE AMOUNTS

Loss per share is computed by dividing net loss for the period by the weighted average number of shares outstanding. In computing loss per share the weighted average number of shares outstanding during the quarter ended January 31, 2010 was 242,441,587 (2009 – 112,501,585) common shares. Stock options and warrants granted by the Company during this period have not been included in the computation of loss per share as they are anti-dilutive.

10. RELATED PARTY TRANSACTIONS

During the quarter ended January 31, 2010 directors and officers of the Company incurred $127,568 (2009 - $95,000) for management and technical services on behalf of the Company. In addition, $28,478 of legal fees were paid during the quarter ended January 31, 2010 (2009 – Nil) to a law firm of which one of the Company's Directors is a partner. At January 31, 2010 Nil (2009 – $22,083) is included in accounts payable for management and technical services and $11,427 (2009 – Nil) is included in accounts payable for legal fees. These transactions were recorded at the exchange amount agreed to by the related parties.

11. ASSET RETIREMENT OBLIGATIONS

Balance, October 31, 2008	$	316,967
Accretion of retirement obligation		28,088
Balance, October 31, 2009	$	345,055
Accretion of retirement obligation		7,022
Balance, January 31, 2010	$	352,077

12. COMMITMENTS

The Company has established a $75,000 university bursary, to a deserving student within the Tahltan Nation, over a 5 year period commencing in the Company's 2007 fiscal year and ending in 2011. At January 31, 2010, there is $30,000 remaining to be paid against this commitment.

The Company has a commitment with respect to its office lease of $23,184 payable in the year ending October 31, 2010.