Unaudited Interim Financial Statements of

COPPER FOX METALS INC.

Three and six months ended April 30, 2011 and 2010

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 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: Catherine Henderson

Catherine Henderson
Chief Financial Officer

COPPER FOX METALS INC.

Balance sheets
As at April 30, 2011 and October 31, 2010
(unaudited)

		30-Apr-11		31-Oct-10
Assets				
Current assets:				
Cash and cash equivalents	$	4,115,765	$	464,572
Accounts receivable		160,829		485,256
Prepaid expenses and deposits		1,382,541		826,801
		5,659,135		1,776,629
Investment (note 5)		698,290		
Mineral properties (note 5)		29,164,615		21,423,389
Property and equipment (note 4)		507,627		549,485
	$	36,029,667	$	23,749,503
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	803,248	$	2,613,384
Shareholder loan (note 8)		1,500,000		-
		2,303,248	$	2,613,384
Asset retirement obligations (note 9)		437,523		423,479
Shareholders' equity:				
Share capital (note 6)		63,253,766		49,901,521
Share purchase warrants (note 6)		226,702		-
Contributed surplus (note 6)		10,157,505		8,423,336
Deficit		(40,349,077)		(37,612,217)
		33,288,896		20,712,640
	$	36,029,667	$	23,749,503
Going concern (note 2)				
Commitments (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 and six months ended April 30, 2011 and 2010
(unaudited)

	Three Months Ended		Six Months Ended	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Expenses:				
Administration	$ 286,337	$ 165,446	$ 479,289	$ 301,470
Amortization and accretion	28,786	33,967	57,741	68,294
Professional fees	170,962	58,316	244,522	162,909
Processing fees	70,804	17,630	99,234	35,766
Rent	7,723	6,872	15,911	14,431
Stock based compensation	1,765,758	4,983	1,770,742	124,015
Travel	48,279	21,853	69,421	49,234
Interest income	-	-	-	(230)
Net loss and comprehensive loss	2,378,649	309,067	2,736,860	755,889
Deficit, beginning of period	37,970,428	36,445,012	37,612,217	35,998,190
Deficit, end of period	$ 40,349,077	$ 36,754,079	$ 40,349,077	$ 36,754,079
Loss per share – basic and diluted (note 7)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.00)

See accompanying notes to financial statements.

COPPER FOX METALS INC.

Statements of cash flows
Three and six months ended April 30, 2011 and 2010
(unaudited)

	Three Months Ended		Six Months Ended	
	April 30, 2011	April 30, 2010	April 30, 2011	April 30, 2010
Cash provided by (used in):				
Operations:				
Net loss for the period	$ (2,378,649)	$ (309,067)	$ (2,736,860)	$ (755,889)
Items not involving cash:				
Amortization and accretion	28,786	33,967	57,741	68,294
Stock-based compensation	1,765,758	4,983	1,770,742	124,015
Change in non-cash working capital	(167,173)	234,473	(217,516)	(511,662)
	(751,278)	(35,644)	(1,125,893)	(1,075,242)
Financing:				
Shareholder loan	-	-	1,500,000	-
Issue of shares and warrants, net of issue costs	6,323,599	2,265,996	10,239,199	2,473,271
	6,323,599	2,265,996	11,739,199	2,473,271
Investing:				
Mineral property expenditures	(1,798,235)	(2,137,539)	(4,853,726)	(3,291,037)
Mineral property acquisitions	(600,000)	-	(600,000)	-
Investment	(269,540)	-	(269,540)	
Additions to property and equipment	(4,985)	(5,039)	(1,839)	(6,603)
Net change in non-cash working capital	605,910	(231,433)	(1,237,008)	(269,334)
	(2,066,850)	(2,374,011)	(6,962,113)	(3,566,974)
Increase/(decrease) in cash during period	3,505,471	(143,659)	3,651,193	(2,168,945)
Cash and cash equivalents, beginning of period	610,294	613,641	464,572	2,638,927
Cash and cash equivalents, end of period	$ 4,115,765	$ 469,982	$ 4,115,765	$ 469,982
Supplementary information:				
Interest received	$ -	$ -	$ -	$ 230

See accompanying notes to financial statements.

1. COMPANY 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 in western Canada. Since inception, the efforts of the Company have been devoted to verifying the historical exploration information and completion of a feasibility study of the Schaft Creek copper-molybdenum-gold-silver porphyry deposit located in northwest British Columbia. To date, the Company has not earned any revenue from these operations and is considered to be in the exploration and development stage. The Company's mineral license is in the advanced exploration stage.

2. GOING CONCERN

These interim 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 April 30, 2011, the Company had working capital, defined as current assets less current liabilities, of $3,355,887 and a deficit of $40,349,077 and had incurred a net loss of $2,378,649 and $2,736,860 for the three and six months ended April 30, 2011. During the quarter ended April 30, 2011 the Company received $6,567,349 in proceeds on a private placement and the exercise of warrants and options. While these funds may be sufficient to complete the current planned activities in the next year, the Company will need additional equity in order to develop the property.

These interim 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 determined to 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, 2010. The disclosures included below are incremental to those included with the annual financial statements.

4. PROPERTY AND EQUIPMENT

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

	Rate	Cost	Accumulated Amortization	Net Book Value April 30, 2011	Net Book Value October 31, 2010
Buildings	10%	$ 549,000	$ 187,725	$ 361,275	$ 380,290
Furniture & equipment	20%	44,422	24,695	19,727	20,241
Heavy equipment	30%	566,020	452,256	113,764	133,839
Leasehold improvements	20%	1,197	933	264	294
Computer equipment	30%	47,404	34,807	12,597	14,821
		$ 1,208,043	$ 700,416	$ 507,627	$ 549,485

5. MINERAL PROPERTIES

	Balance October 31, 2010	Expenditures	Balance April 30, 2011
ES Zone			
Acquisition of property rights	$ -	$ 350,000	$ 350,000
	-	350,000	350,000
GK Zone			
Acquisition of property rights	-	2,537,500	2,537,500
	-	2,537,500	2,537,500
Schaft Creek Deposit			
Acquisition of property rights	100	-	100
Technical analysis	51,992,204	4,853,726	56,845,930
Licenses and permits	106,623	-	106,623
Asset retirement costs	324,462	-	324,462
	52,423,389	4,853,726	57,277,115
Schaft Creek deposit write down (2009)	(31,000,000)	-	(31,000,000)
	21,423,389	4,853,726	26,277,115
Total mineral properties	$ 21,423,389	$ 7,741,226	$ 29,164,615

MINERAL PROPERTIES (continued)

The Schaft Creek deposit is located within a contiguous group of mineral claims that cover 21,025 hectares (51,954 acres). Copper Fox holds a 100% working interest in the Schaft Creek property, subject to 30% net proceeds interest, the "indirect interest", held by a private company 78%-owned by Teck Resources Limited ("Teck"), and a 3.5% net profits interest held by Royal Gold, Inc. Copper Fox can earn Teck's indirect interest by completing a positive "bankable" feasibility study, as defined in the option agreement with Teck.

Teck may elect at any time to exercise one of its "earn-back" options; however completion of a bankable feasibility study will trigger a 120 day-period for Teck to elect to either: i) exercise one of its earn-back options; ii) retain 1% net smelter return royalty; or iii) receive shares of Copper Fox to a value of $1,000,000.

If Teck exercises its earn-back option, then Teck can elect to acquire either 20%, 40% or 75% of Copper Fox's interest in the Schaft Creek property by solely funding subsequent expenditures equal to either 100%, 300% or 400% of Copper Fox's prior expenditures. As at April 30, 2011 the Company has spent approximately $59.7 million (excluding $2.88 million in new property acquisitions) in qualified expenditures under this option agreement with Teck.

If Teck elects to earn back a 75% working interest Teck would also be responsible for arranging Copper Fox's share of project financing to be repaid from Copper Fox's share of future metal sales, until payout is reached.

In addition, Copper Fox owns a 100% working interest in another contiguous group of mineral claims covering 3,947 hectares (9,753 acres) that is not subject to the option agreement.

During the quarter ended April 30, 2011, the Company completed the acquisitions of two mineral properties (ES Zone and GK Zone) and the purchase of shares of Liard Copper Mines Limited ("Liard"). Details of the transactions are provided below:

1) The purchase of two mineral claims (2,786.54 hectares) are contiguous to the Company's Schaft Creek property. Consideration paid by Copper Fox was $250,000 cash, 1,250,000 common shares (recorded at $2,287,500 based on the closing share price on the date of the agreement) of Copper Fox and a 2% net smelter return (NSR) royalty on the mineral claims subject to a "Partial NSR Buyout Option". The Partial NSR Buyout Option allows Copper Fox at any time to purchase half of the NSR for a cash payment of $1.5 million such that the net smelter royalty is reduced from 2% to 1%.
2) The purchase of one mineral claim (192 hectares) that abuts the current Schaft Creek mineral claims owned by Copper Fox. Copper Fox paid $350,000 cash and granted a 2% net smelter return royalty on the mineral claim subject to a "Partial NSR Buyout Option". The Partial NSR

Buyout Option allows Copper Fox to purchase half of the NSR for a cash payment of $1.5 million such that the net smelter royalty is reduced from 2% to 1%.

3) Copper Fox acquired 26,954 shares of Liard, a private company incorporated in British Columbia for a cash payment of $269,540 and 245,000 common shares (recorded at $428,750 based on the closing share price on the date of the agreement) of Copper Fox. Liard holds a 30% net proceeds interest (NPI) royalty in the Schaft Creek project. Teck owns 78% of the issued and outstanding shares of Liard. Upon completion of a positive feasibility study, Copper Fox will acquire Teck's 78% interest in Liard. The shares acquired by Copper Fox as a result of this transaction represent approximately 1.47% of the issued and outstanding shares of Liard.

For the three and six months ended April 30, 2011 the Company has capitalized $106,500 (2010 - $92,250) and $209,250 (2010 - $188,250) of management and technical services provided by its officers and directors (see note 8).

6. 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, 2009	242,356,660	$	37,182,648
Options exercised	40,000		18,000
Transfer from contributed surplus on option exercise			13,327
Warrants exercised	119,940,893		9,471,100
Transfer from contributed surplus on warrant exercise			3,216,446
Balance, October 31, 2010	362,337,553	$	49,901,521
Flow through shares issued	7,450,000		7,755,000
Non Flow through shares issued (note 5)	1,495,000		2,716,250
Value ascribed to warrants issued			(1,004,681)
Options exercised	1,435,000		675,750
Transfer from contributed surplus on option exercise			623,498
Warrants exercised	1,548,665		2,286,499
Transfer from contributed surplus on warrant exercise			777,979
Share issue costs			(478,050)
Balance, April 30, 2011	374,266,218	$	63,253,766

SHAREHOLDERS' EQUITY (continued)

During the six months ended April 30, 2011, the Company completed two non-brokered private placement financings.

The first was completed in two tranches, each consisting of 2,225,000 flow-through shares at a purchase price of $0.90 per share totaling $2,002,500. The total Offering raised gross proceeds of $4,005,000 from the issuance of 4,450,000 flow-through shares. The Company paid commission/finder's fees totaling $234,300 and issued 260,333 non-transferable warrants. Each non-transferable warrant entitles the holder to purchase one non flow-through common share at a purchase price of $0.75, exercisable at any time until the close of business on the expiry of 24 months.

The second consisted of 3,000,000 flow-through units at a price of $1.25. Each unit consisted of one flow through common share and one half of a non-flow through purchase warrant. One full purchase warrant plus $1.50 entitles the holder to purchase a Copper Fox common share until expiry on December 31, 2011. In the event Copper Fox trades above $1.65 for ten (10) consecutive days, the purchase warrants, if unexercised, will expire 30 days thereafter. (The expiry date of these warrants was accelerated to April 29, 2011). Also, the Company paid a securities firm, of which one of the Company's Directors is an Officer and Director, $243,750 and issued 195,000 broker warrants (exercisable at $1.25 and expiring on March 16, 2012) for finder's fees.

Funds generated from this financing will be used to advance the feasibility study and include drilling programs, metallurgical testing and engineering studies associated with the development of the Schaft Creek Porphyry Deposit.

(c) Share purchase warrants:

Share Purchase Warrants	Number	Amount	
Balance, October 31, 2009	119,940,894	$	3,216,446
Exercised	(119,940,894)		(3,216,446)
Balance, October 31, 2010	-	$	-
Issued	1,955,333		1,004,681
Exercised	(1,548,665)		(777,979)
Balance, April 30, 2011	406,668	$	226,702

SHAREHOLDERS' EQUITY (continued)

As at April 30, 2011, warrants to purchase common shares are outstanding as follows:

Exercise Price	Expiry Date	Fair Value	Number of Warrants	Amount
$ 0.75	26-Nov-12	$ 0.47	126,833	$ 60,013
0.75	15-Dec-12	0.48	84,835	40,917
1.25	16-Mar-12	0.64	195,000	125,772
			406,668	$ 226,702

The fair value of the warrants issued during the period ending April 30, 2011 was determined using the Black-Scholes valuation model using the following assumptions:

Dividend yield	0.00%
Expected volatility	99.91% to 128.47%
Risk-free interest rate	1.43% to 1.70%
Expected life	.75 to 2 years

(d) Contributed surplus:

Balance, October 31, 2009	$ 8,302,682
Exercise of options	(13,327)
Stock based compensation	133,981
Balance, October 31, 2010	$ 8,423,336
Exercise of options	(623,498)
Stock based compensation	2,357,667
Balance, April 30, 2011	$ 10,157,505

(e) Stock options:

The Company established a stock option plan for its directors, officers, consultants and employees under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company. During the six months ended April 30, 2011 the Company granted 1,700,000 options to directors, officers, consultants and employees of the Company exercisable at $1.69 per option (2010 – Nil).

There were 11,360,000 stock options outstanding at April 30, 2011 with weighted average price of $0.5639 per share. Options expire five years from the grant date. The outstanding

SHAREHOLDERS' EQUITY (continued)

options expire between July 2011 and March 2016. There were 11,082,211 options vested at April 30, 2011 with weighted average price of $0.5755 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
Exercised	(40,000)
Expired	(1,450,000)
Balance, October 31, 2010	10,995,000
Issued	1,800,000
Exercised	(1,435,000)
Balance, April 30, 2011	11,360,000

The fair value of stock options vested during the period ended April 30, 2011 was $0.089 and $1.38 per option, resulting in compensation expense of $2,357,667 (2010 – $124,015) including $586,925 (2010 – Nil) being capitalized to the mineral properties. This amount is recorded to contributed surplus and upon exercise will be recorded as an increase to share capital.

The fair value of the options issued during the period ended April 30, 2011 have been determined using the Black-Scholes valuation model using the following assumptions:

Dividend yield	0.00%
Expected volatility	116.17%
Risk-free interest rate	2.31%
Expected life	5 years
Fair value	$1.38

SHAREHOLDERS' EQUITY (continued)

Outstanding options at April 30, 2011 are as follows:

Exercise Price	Issue Date	Expiry Date	Balance Outstanding	Balance Vested
$0.51	Jul-06	Jul-11	525,000	525,000
$0.78	Feb-07	Feb-12	875,000	875,000
$0.97	Feb-07	Feb-12	635,000	635,000
$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	1,675,000	1,675,000
$0.10	Jul-09	Jul-14	1,000,000	722,211
$0.15	Oct-09	Sep-14	3,350,000	3,350,000
$0.15	Nov-09	Sep-14	1,000,000	1,000,000
$1.69	Mar-11	Mar-16	1,700,000	1,700,000
			11,360,000	11,082,211

7. 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 three and six months ended April 30, 2011 were 367,998,402 (2010 – 248,331,979) and 364,958,388 (2010 – 246,327,123) 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.

8. RELATED PARTY TRANSACTIONS

During the three and six months ended April 30, 2011 directors and officers of the Company incurred $162,500 (2010 - $176,250) and $359,650 (2010 - $356,250) for management and technical services on behalf of the Company. In addition, $71,559 (2010 – 28,478) and $195,586 (2010 - $50,396) of legal fees were paid during the three and six months ended April 30, 2011 to a law firm of which one of the Company's Directors is a partner. At April 30, 2011 $27,250 (2010 - $23,000) was included in accounts payable for management and technical services and $124,027 (2010 – $21,918) was included in accounts payable for legal fees.

Also, the Company paid a securities firm, of which one of the Company's Directors is an Officer and Director (1) $120,150 and issued 133,500 broker warrants (exercisable at $0.75 per share and expiring on December 15, 2012) for finder's fees in relation to the equity private placement which closed on December 15, 2010 and; (2) $243,750 and issued 195,000 broker warrants (exercisable at $1.25 per share and expiring on March 16, 2012) for finder's fees in relation to the equity private placement which closed on March 16, 2011.

In addition, during the period a Director loaned the Company $1,500,000. The loan bears no interest and has no fixed terms of repayment. These transactions were recorded at the exchange amount agreed to by the related parties.

9. ASSET RETIREMENT OBLIGATIONS

Balance, October 31, 2009	$	345,055
Increase to retirement obligation		50,336
Accretion of retirement obligation		28,088
Balance, October 31, 2010		423,479
Accretion of retirement obligation		14,044
Balance, April 30, 2011	$	437,523

10. 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 April 30, 2011, there is $15,000 remaining to be paid against this commitment.

The Company has a commitment with respect to its office leases in Calgary and Vancouver as follows:

Period	Jun 1, 2011 - Oct 31, 2011	Nov 1, 2011 - Oct 31, 2012	Nov 1, 2012 – Oct 31, 2013	Nov 1, 2013 - Jun 30, 2014
Amount	$ 94,364	$ 140,088	$ 113,826	$ 18,406