COPPER FOX METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED OCTOBER 31, 2012

February 13, 2013

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Introduction

This management's discussion and analysis ('MD&A') should be read in conjunction with Copper Fox Metals Inc.'s (the 'Company' or 'Copper Fox') audited annual consolidated financial statements for the year ended October 31, 2012 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ('GAAP' or 'IFRS') as issued by the International Accounting Standards Board ('IASB'). Previously, the Company prepared its annual financial statements in accordance with Canadian Generally Accepted Accounting Principles ('Canadian GAAP'). The Company's 2011 comparatives in this MD&A have been restated and presented in accordance with IFRS. The Company's transition date was November 1, 2010, and accordingly the 2010 comparative information in this MD&A is presented in accordance with Canadian GAAP. Unless otherwise noted, comparative financial information contained in this MD&A has been prepared in accordance with IFRS.

The transition from Canadian GAAP to IFRS has not affected the Company's operations, strategic decisions and cash flow, but has resulted in certain accounting policy changes and adjustments to numbers previously reported under Canadian GAAP. These policy changes and adjustments are discussed under the "IFRS" section, herein.

Technical information contained in this MD&A has previously been disseminated by way of news release and is filed on Sedar at www.sedar.com and on the Company's website at www.copperfoxmetals.com. The reader should be aware that historical results are not necessarily indicative of future performance (readers should refer to 'Forward Looking Statements on page 13).

The effective date of this MD&A is February 13, 2013. All amounts are in Canadian dollars unless otherwise stated.

Description of Business

Copper Fox is a Canadian-based resource development company listed on the TSX Venture Exchange (TSX-V: CUU) with a corporate office in Calgary, Alberta and an operations office in Vancouver, British Columbia. Its major asset is the Schaft Creek porphyry copper, gold, molybdenum and silver deposit located in northwestern British Columbia, Canada for which a positive Feasibility Study was recently completed and filed on www.sedar.com (see News Releases dated December 21, 2012 and February 4, 2013).

Copper Fox holds title and a 100% working interest in the Schaft Creek project consisting of 56,267.54 hectares (139,040 acres). Included in this total are the "Schedule A" mineral tenures originally conveyed to Copper Fox pursuant to the Teck Option Agreement, which consist of 8,334.34 hectares (20,594 acres). The "Schedule A" mineral tenures are subject to a 3.5% Net Profits Interest held by Royal Gold, Inc., a 30% carried Net Proceeds Interest held by Liard and, together with the additional mineral tenures obtained by Copper Fox within the "Area of Interest" provided for in the Teck Option Agreement, an earn back option held by Teck. On completion of a "Positive Bankable Feasibility Study" (as defined), Copper Fox earns Teck's 78% interest in Liard. Teck's earn back option to acquire either, 20%, 40% or 75%, of Copper Fox's interest in the Schaft Creek Project is triggered upon delivery of a "Positive Bankable Feasibility Study" (as defined) to Teck after which they have 120 days to make a decision. Should Teck elect to exercise its option for 75%, Teck is required to fund subsequent property "Expenditures" (as defined) up to a total of 400% of those incurred by Copper Fox ($85.3 million to December 31, 2012) and use its best efforts to arrange for project financing, including the Copper Fox portion. For full details of the Teck earn back option please refer to the Company's website www.copperfoxmetals.com.

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The remainder of Copper Fox's registered interests in mineral tenures in British Columbia total 47,933.19 hectares (118,445 acres). These interests have been acquired by Copper Fox through mineral tenure acquisitions and mineral tenure purchase agreements subsequent to Copper Fox entering into the Teck Option Agreement. Certain portions of these registered mineral tenures are subject to inclusion within the Schaft Creek Project pursuant to the terms of the "Area of Interest" provisions of the Teck Option Agreement.

Additionally the Company holds, through its wholly-owned subsidiaries, mineral tenures located in Pinal County, Arizona (the 'Sombrero Butte Copper Project') and in Miami, Arizona (the 'Van Dyke BLM Claims'). The Sombrero Butte copper project consists of 60 claims (3,342 acres) located in the Bunker Hill Mining District, 44 miles northeast of Tucson and the 35 Van Dyke BLM Claims (529 acres) located to the west of the Van Dyke copper deposit in Miami.

<u>Highlights for the Year Ended October 31, 2012</u>

During the year, the Company completed an updated resource estimate, an exploration program and continued the environmental assessment application process on the Schaft Creek deposit. Discussions were undertaken with BC Hydro in an effort to secure a source of electrical power for the Schaft Creek project and the Company made several property acquisitions in British Columbia and Arizona. Subsequent to year end, the Company announced the results of a positive feasibility study and the filing thereof on www.sedar.com.

Another focus was to demonstrate the mineral potential of the Schaft Creek Mineral Trend. The objective was to demonstrate through exploration the potential to find additional polymetallic copper deposits within this trend to the north of the Schaft Creek deposit.

Resource Estimate

In May 2012, Tetra Tech Wardrop ('Tetra Tech') completed the Updated Resource Estimate for the Schaft Creek deposit including the Paramount and Liard zones. For a more detailed review of the Updated Resource Estimate, please see Copper Fox's news release dated May 31, 2012. Highlights for the Updated Resource Estimate are:

Resource Category	Cut-off CuEq (%)	Tonnes	Copper (%)	Molybdenum (%)	Gold (g/t)	Silver (g/t)	Contained Metal			
							Cu (Lbs)	Mo (Lbs)	Au (ozs)	Ag (ozs)
Measured	0.15	146,615,300	0.31	0.017	0.24	1.78	1,001,824,600	55,624,000	1,149,100	8,402,700
Indicated	0.15	1,081,939,500	0.26	0.017	0.18	1.68	6,104,400,000	399,718,500	6,218,000	58,335,500
Measured & Indicated	0.15	1,228,554,800	0.26	0.017	0.19	1.69	7,106,224,600	455,342,500	7,368,000	66,738,200
Inferred	0.15	597,191,300	0.22	0.016	0.17	1.65	2,872,034,300	206,252,100	3,359,600	31,601,400

The correlation between the copper mineralization and the chargeability signature that accompanies the Schaft Creek deposit is strong. There is a significant portion (estimated to be approximately 400m) of the chargeability signature that extends east of the 2012 resource block model generated from the Updated Resource Estimate that has not been tested by diamond drilling. The 2012 resource block model clearly shows that the mineralization in the Paramount zone extends to the east and to the north. The block model also shows that the mineralization in the Liard zone is open to the east based on the chargeability anomaly.

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Cautionary Note to Investors

While the terms "measured (mineral) resource", "indicated (mineral) resource" and "inferred (mineral) resource" are recognized and required by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, investors are cautioned that except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded into mineral reserves. Additionally, investors are cautioned that inferred mineral resources have a high degree of uncertainty as to their existence, as to whether they can be economically or legally mined, or will ever be upgraded to a higher category.

Feasibility Study

Subsequent to the year ended October 31, 2012, the Company announced the results of a positive Feasibility Study on the Schaft Creek project. The technical sections below relating to a future Schaft Creek mine development are based on this Feasibility Study made public in December 2012, and subsequently filed on www.sedar.com in February 2013.

Mineral Reserve

As indicated in the Cautionary Note to Investors above, mineral resources are not mineral reserves. When preparing a feasibility study, only the Measured and Indicated resources in combination with certain input parameters and the Whittle Mine Optimization software are used to generate a considerable number (in the order of 40-50 runs) of proposed pit shells. From this work, mining engineers select the pit shell with the most attractive economics and then commence to develop the actual proposed mine plan to be used in the feasibility study. Invariably, the process of establishing reserves normally leaves a considerable portion of the entire Measured and Indicated mineral resources outside the pit shell. This process in general explains the significant difference between the mineral resources in the table above versus the mineral reserves in the table below. At a later date, after commencement of mining operations, additional work including diamond drilling and metallurgical testwork (as well as metal price) would be completed on the remaining resources that occur outside the pit shell to determine their economic viability. If determined to be economically viable, then at that time; the remaining resources that were not initially classified as reserves at the time of the feasibility study would be included into the reserve category, thus extending mine life.

The Proven and Probable mineral reserves located within the pit shell (proposed open pit) are the economically-mineable portions of the Measured and Indicated mineral resources set out in the table below, respectively, as demonstrated by the Feasibility Study. The proven and probable reserves at Schaft Creek are summarized below:

Mineral Reserve					
Reserve Category	**Run of Mine (Mt)**	**Copper %**	**Molybdenum %**	**Gold gpt**	**Silver gpt**
Proven	135.4	0.31	0.0175	0.25	1.81
Probable	805.4	0.26	0.0176	0.18	1.70
Proven & Probable	940.8	0.27	0.0176	0.19	1.72

The Feasibility Study was prepared under the direction of Tetra Tech, Inc. ('Tetra Tech'), an industry-leading international engineering firm, with a high level review of capital cost completed by Merit Consultants International Inc. ('Merit'), and an internal review conducted by Matt Bender, MBA, P.E. The Feasibility Study, with capital costs defined to within plus/minus 15%, builds upon the previous Preliminary Economic Assessment and Preliminary Feasibility Study

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prepared by Samuel Engineering, Inc. in January and September of 2008 and metallurgical and geotechnical work completed in 2009, 2010, 2011 and 2012 and diamond drilling completed in 2010 and 2011. The Feasibility Study confirms the technical and financial viability of constructing and operating a 130,000 ton-per-day copper mining and processing operation at Schaft Creek. Highlights for the Feasibility Study are:

- Nominal daily milling rate of 130,000 tonnes-per-day using open pit mining method;
- Five years pre-productions followed with a productive mine life of 21 years;
- Proven and Probable Mineral Reserves of 940.8 million tonnes containing 5.6 billion lbs of copper, 5.7 million oz. of gold, 363.5 million lbs of molybdenum and 51.7 million oz. of silver on the basis of drill data up to May 23, 2012;
- Life-of-Mine ('LOM') metal production contained in concentrates totals 4.88 billion pounds ('lbs') of copper, 4.21 million ounces ('oz.') of gold, 214.92 million lbs of molybdenum and 25.10 million oz. of silver;
- Average annual copper production in concentrates:
    - Years 1 to 5: 274 million pounds per year
    - Years 1 to 10: 259 million pounds per year
    - LOM: 232 million pounds per year
- Initial capital costs are estimated to be $3.25 billion including contingencies, excluding sustaining capital of $1.24 billion million;
- LOM site operating cash costs are $13.33 per tonne of ore-milled net of capitalized pre-stripping and other predevelopment costs; LOM copper production costs net of gold, silver and molybdenum credits is $1.11 per pound.

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A summary of Economic Results for the Schaft Creek project is provided in the table set out below:

Item	Unit	Base Case	3-Y Avg* Case	Spot Price** Case	Real Options Case
Metal Price					
Copper	US$/lb	3.25	3.63	3.69	3.25
Gold	US$/oz	1,445.00	1,445.00	1,736.00	1,445.00
Silver	US$/oz	27.74	27.74	32.71	27.74
Molybdenum	US$/lb	14.64	14.64	11.34	14.64
Exchange Rate	US:Cdn	0.97	0.99	1.02	0.97
Pre-tax Economic Results					
Operating Cash Flow	CDN$ M	10,746	12,065	12,161	11,284
NPV (at 5%)	CDN$ M	1,694	2,348	2,419	2,665
NPV (at 8%)	CDN$ M	513	967	1,024	1,382
NPV (at 10%)	CDN$ M	25	388	437	836
IRR	%	10.13	11.9	12.14	15.4
Payback	Years	6.48	5.81	5.7	4.9
Cash Cost/lb Cu	CDN$/lb	1.15	1.19	1.12	1.15
Total Cost/lb Cu	CDN$/lb	2.09	2.14	2.07	2.09
Avg Annual operating Cash Flow***	Millions	371	414	425	640

* between October 15, 2009-2012

** On October 15, 2012

***Years 1 to 5

Valuing Long Term Projects NPV vs ROV

The Feasibility Study on the Schaft Creek project used the "net present value" discounted cash flow ('NPV') method and Real Option Value ('ROV') method to assess the economics of this long term mining project. Large scale, long life projects such as Porphyry copper deposits are typically mined over a number of decades. Due to the inherent uncertainties in estimating long term operating costs, cost of materials, consumables and metal prices, estimating a realistic value for these types of projects is difficult.

The most common valuation method used today in the mining industry is NPV method. Using this method, the discount period starts from the completion date of the feasibility study and includes permitting, construction and preproduction periods continuing to the end of mining operations. This method assumes that the input parameters such as metal prices, operating costs etc., remain constant over the life of the mine. It is also important to understand that the longer the discount period (i.e. pre-production period plus mine life) the result will be to lower the discounted cash valuation as compared to a similar project projected to have a shorter start up and mine life. In longer term projects, it is essential that the initial capital costs are recovered as soon as possible. After recovery of the initial capital costs, the annual cash flow is a primary metric used to value long term project.

ROV is an alternate method that is now starting to be used by the large copper producing companies to value long term mining projects. This method uses the same input parameters as the NPV method but allows flexibility during the mine life due to changes in metal pricing cycles, operating flexibility and other factors. This method normally yields a

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significant increase in Net Present Value over that estimated using the NPV method.

Project Opportunities

The Feasibility Study outlined several aspects of the project that could, if successful, enhance the value to the Schaft Creek project. A total of 171.16 million tonnes of material classified as an Inferred Mineral Resource is located within the pit shell used in the Feasibility Study. For the purpose of the Feasibility Study this material has to be treated as waste. Additional diamond drilling to upgrade the Inferred Mineral Resource to either a Measured or Indicated Mineral Resource, if successful, would categorize this rock as a revenue generator. If successful, it is expected that this would lower the strip ratio, lower the mine operating costs, reduce the cost to produce a pound of copper and increase the net operating cash from operations.

Additional metallurgical testwork to optimize the milling operations, reduce mill operating costs and achieve minimal increases in metal recoveries has also been suggested. During the detailed engineering phase of the project, consideration would be given to using new flotation technology that is currently undergoing full scale testing. This, if applicable, could reduce the number of flotation units required which lowers the construction and capital costs while at the same time reducing operating costs. The Feasibility Study also suggested that the five year preproduction period may be shortened during the detailed engineering phase of the project by working on certain aspects of the project on a parallel basis. In addition, completion of the Environmental Application and receipt of the Environmental Certificate would allow the permitting process to begin, thereby significantly reducing the risk associated with the project.

Copper Fox is currently working to establish the programs required to investigate the above project enhancements.

2012 Exploration Program

The 2012 exploration program was designed specifically to avoid any work (diamond drilling, metallurgical test work, etc.) on the Schaft Creek deposit which if successful would have dictated a suspension to update that portion of the Feasibility Study. The objective of the 2012 exploration was to test the mineral potential of the Schaft Creek Mineral Trend to host additional copper deposits. This trend is located on the west side of Mount LaCasse and extends for a distance of approximately 7 kilometres north of the Schaft Creek deposit. Diamond drilling on the Discovery zone and the Mike zone as well as mapping and sampling over a 6 kilometer long area that extends from the south end of the ES zone to the north end of the GK zone was completed. The mapping and sampling located a significant number of outcrops and boulders that contain copper oxide and copper sulphide minerals.

In addition, remote sensing studies, stream sediment sampling and a further interpretation of the airborne and surface geophysical data collected over the Schaft Creek project in 2011 and 2012 was also completed. This work essentially confirmed the previous exploration results collected from the Schaft Creek Mineral Trend.

The mineralization in the Discovery zone shows an excellent correlation to the chargeability signature as demonstrated by the drilling completed in 2011 and 2012. In 2012, a total of 2,266m of drilling was completed in six diamond drill holes on the Discovery zone and the Mike zone. Diamond drill hole ('DDH') CF426-2012, CF427-2012, CF428-2012 and CF430-2012 were drilled within the Discovery zone. DDH CF428-2012 and CF430-2012 did not reach the chargeability signature due to drilling difficulties. Results are as follows:

- DDH CF426-2012 intersected an average of 0.16% copper, 0.04g/t gold, 0.003% molybdenum and 0.81g/t silver

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over a core interval of 689.11m starting at a core length of 76.55m;

- DDH CF427-2012 located approximately 400m north of DDH CF426-2012 intersected 0.24% copper, 0.14 g/t gold, 0.006% molybdenum and 0.58g/t silver over a core interval of 336.72m starting at a core depth of 428.12m. Included within this interval is a 47m section that averaged 0.625% copper, 0.59 g/t gold, 2.02 g/t silver and 0.006% molybdenum starting at a core interval of 509.00 m;
- DDH CF428-2012 did not return any significant assay results;
- DDH CF430-2012 located approximately 300m east of DDH CF427-2012 intersected 0.14% copper, 0.01g/t gold, 0.006% molybdenum and 5.55g/t silver over a core length of 9.40m starting at a core depth of 122.75m; including a 1.4m core interval that assayed 0.16% copper, 0.03g/t gold and 414 g/t (13.31 ounces per tonne) silver.

DDH CF429-2012 and CF429B-2012 were completed on the Mike zone and intersected an average of 0.02% copper, 0.02g/t gold and 1.09 g/t silver over a core length of 84.49m starting at a core interval of 94.12 m. Within this interval, individual maximum sample concentrations of 0.05% copper, 0.15 g/t gold, 16.9 g/t silver and 0.006% molybdenum were recorded. Due to drilling difficulties, these drill holes did not reach the chargeability signature.

Bell Copper

During the year, the Company announced that it had entered into a binding offer to purchase from Bell Copper Corporation ('Bell') 100% of Bell's interests in the Van Dyke copper deposit and the adjacent Van Dyke BLM lode claims located in Miami, Arizona and the Sombrero Butte property located near Mammoth, Arizona by paying to Bell CDN $2,000,000 in cash and assumption of Bell's continuing obligations in respect of the properties.

The Company completed the acquisition of the Sombrero Butte property and the Van Dyke BLM Claims by paying to Bell the US-dollar equivalent of CDN $1,000,000 in cash and assuming Bell's continuing obligations in respect of the Sombrero Butte Copper Project and Van Dyke BLM Claims. The continuing obligation on the Sombrero Butte property is a US $600,000 payment due on January 9, 2014. On payment of this amount, Copper Fox would hold an undivided 100% interest in the Sombrero Butte property.

The acquisition of Bell's additional interests in the Van Dyke copper deposit is pending subject to Bell completing the acquisition pursuant to the terms of the purchase and sale and royalty agreement between Bell Resources (Nevada) Corporation, a wholly-owned subsidiary of Bell, and Bennu Properties, LLC, Albert W. Fritz Jr. and Edith Spencer Fritz. For more details please refer to Copper Fox's news release of July 9, 2012.

Land Acquisitions

During and subsequent to the year ended October 31, 2012; the Company acquired in six separate transactions a total of 89 mineral tenures (21,504.47 hectares) located around and contiguous to the Schaft Creek project. Consideration paid aggregated $97,000 cash and a 2% net smelter return ('NSR') royalty on the mineral tenures subject to a "Partial NSR Buyout Option". The Partial NSR Buyout Option allows Copper Fox at any time to repurchase half of the NSR for a cash payment of $1.0 million such that the NSR is reduced from 2% to 1%. In addition, the Company also purchased 700.68 hectares (2 mineral tenures) located in the Mess Creek area. Consideration paid was $7,000 cash and a 1% net smelter return (NSR) royalty on the mineral tenures. The NSR Buyout Option allows Copper Fox at any time to purchase the NSR for a cash payment of $0.25 million.

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Subsequent to year end, Copper Fox located (staked) an additional 22 mineral lode claims contiguous to the Sombrero Butte project to protect the extension of the mineralized breccia pipes previously explored by Bell. The Sombrero Butte project now consists of 60 lode claims and covers 3,342 acres.

Environmental Assessment Application

Work completed in 2012 that is required to complete the BC Environmental Assessment Application (EAA) and the Federal Environmental Impact Statement (EIS) included surface and ground water monitoring, wildlife surveys, work plan for a transportation effects assessment, technical working group meetings with provincial, federal and First Nation representatives, and completion of various components of the EAA and EIS.

Stantec Consulting Ltd. ('Stantec') has been retained by Copper Fox to prepare the EAA. Copper Fox and Stantec are currently working with other environmental consultants to complete the various studies and reports required for the EAA. On submission of the EAA the regulatory bodies would have 30 days to review the application before the environmental assessment review period commences.

BC Hydro

The construction of the Northern Transmission Line (the 'NTL') to supply economical electrical power to the northwest portion of British Columbia is underway. The NTL is expected to be completed by spring 2014. The completion of the NTL is considered to be fundamental to the development of the large copper deposits located in northwest British Columbia. Discussions were held with BC Hydro on the terms and conditions surrounding participation and purchasing of electrical power from the NTL.

Elmer B. Stewart, MSc. P. Geol., President of Copper Fox, the Company's nominated Qualified Person pursuant to National Instrument 43-101, Standards for Disclosure for Mineral Projects, has reviewed the technical information disclosed in the preceding paragraphs.

Period Overview

Revenues

The Company has no income producing assets and has not reported revenue from operations for any of the years ended October 31, 2012, October 31, 2011 and October 31, 2010. The Company is considered to be in the exploration and development stage.

Expenses

During the year ended October 31, 2012 Copper Fox incurred expenses of $3,238,472 compared to $3,898,625 for the year ended October 31, 2011 and $1,614,027 for the year ended October 31, 2010. A comparison of the expenses incurred by Copper Fox for the years ended October 31, 2012, October 31, 2011 and October 31, 2010 is set out below:

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	IFRS		CDN GAAP
	2012	2011	2010
Expenses:			
Administration	$ 1,133,702	$ 1,032,302	$ 788,217
Amortization and accretion	164,816	164,450	137,365
Professional fees	995,210	568,494	368,919
Processing fees	172,511	168,522	49,676
Rent	22,722	32,619	29,190
Share based compensation	593,254	1,780,708	133,981
Travel	156,257	151,530	106,679
Loss before income taxes	$ 3,238,472	$ 3,898,625	$ 1,614,027

The decrease in expenses from the year ended October 31, 2011 to October 31, 2012 and the increase in expenses from the year ended October 31, 2010 to October 31, 2011 is due to changes in share based compensation which does not affect the cash flow of the Company. The increase in professional fees from 2011 to 2012 is due to an increase in legal fees pertaining to the Arizona acquisitions and an increase in accounting fees due to the conversion to IFRS.

For the three months ended October 31, 2012 the Company incurred expenses of $812,324 compared to $630,291 for the three months ended October 31, 2011. The $182,033 increase was mainly due to Professional Fees relating to the acquisition of the Arizona properties.

Expenditures on British Columbia mineral properties for the three months ended October 31, 2012 were $2,304,365 compared to $7,292,833 for the three months ended October 31, 2011. The decrease is mainly due to a shorter drilling program in 2012 compared to 2011.

Loss

Copper Fox incurred a net loss and comprehensive loss for the year ended October 31, 2012 of $3,209,198 (2011 - $4,631,152 and 2010 – $1,614,027).

Loss per Share

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 year ended October 31, 2012 was 388,148,045 (2011 – 371,626,823 and 2010 – 290,223,364). 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.

The loss per share for the year ended October 31, 2012 was ($0.01) (2011 – ($0.01)) and (2010 - ($0.00)).

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Cash Position

At October 31, 2012, the Company had working capital of $5,139,258 and a deficit of $17,222,535 and incurred a net loss of $3,209,198 for the year ended October 31, 2012. During the year ended October 31, 2012 the Company received $17,548,125 in proceeds on private placements and the exercise of warrants and options, additional funds will be required to complete the current planned activities.

Mineral Properties

During the first quarter of October 31, 2009, the Company wrote down the carrying value of its mineral property by $31 million based on the implied fair value of a proposed board approved transaction which was subsequently terminated due to non-performance by the other party. As at November 1, 2010, there were significant increases in the market value of the Company and the property value when compared to the first quarter of October 31, 2009. The Company considered this to be an indicator of impairment reversal for its mineral properties. Based on this assessment, the Company determined that the previous impairment should be reversed.

Total Assets

Total assets of the Company at October 31, 2012 are $90,267,920 (October 31, 2011 - $76,300,098 and October 31, 2010 - $23,749,503).

Selected Unaudited Quarterly Financial Information

	Net Loss	Net (loss)/income per share - basic and diluted
2012		
Fourth Quarter	$ (812,324)	$ 0.00
Third Quarter	$ (1,328,328)	$ 0.00
Second Quarter	$ (514,292)	$ 0.00
First Quarter	$ (554,254)	$ 0.00
2011		
Fourth Quarter	$ (1,018,883)	$ (0.01)
Third Quarter	$ (504,862)	$ 0.00
Second Quarter	$ (2,380,574)	$ (0.01)
First Quarter	$ (726,833)	$ 0.00

The increase in loss in the second quarter of 2011 and the third and fourth quarter of 2012 is due to share based compensation expense which does not affect the cash flow of the Company. The loss increase in the fourth quarter of 2011 is due to increased professional fees, trade shows and travel.

Liquidity and Capital Resources

Copper Fox operates in a capital intensive industry in which the demands for capital to finance exploration and development of its Schaft Creek property as well as corporate overheads generally occur far in advance of the project being put into production and generating cash flow. The financial requirements of Copper Fox related to the potential

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development of the Schaft Creek project are mitigated to some extent by the obligations of Teck should they exercise their earn back right on the Schaft Creek property (see 'Description of Business' above).

The Company's working capital was $5,139,258 at October 31, 2012 inclusive of an increase to prepaid expenses and deposits relating to an agreement on the Schaft Creek property and an increase in accounts receivable with respect to a tax credit claimed.

During the year ended October 31, 2012, the Company raised a total of $17,548,125 from the completion of private placements totaling $17,205,000, 725,000 options exercised for total proceeds of $248,000 and 126,833 warrants for total proceeds of $95,125. In addition, the Company issued 1,272,727 common shares for repayment of a loan of $1,400,000. Additional funds will be required to complete the current planned activities and the Company may need to issue additional equity in connection with any development of the project (Refer to Teck Earn Back Option).

As of October 31, 2012, 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	Exercise Amount
1.35	13-Dec-12	0.48	3,278,689	1,002,988	4,426,230
1.25	30-Jan-13	0.42	2,000,000	845,919	2,500,000
1.25	20-Jul-13	0.34	4,000,000	1,364,199	5,000,000
1.25	10-Sep-13	0.32	3,500,000	1,113,251	4,375,000
1.25	24-Oct-13	0.20	2,173,913	445,620	2,717,391
			14,952,602	$ 4,771,977	$ 19,018,621

Off Balance Sheet Arrangements

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

Period	Nov 1, 2012 - Oct 31, 2013	Nov 1, 2013 - Jun 30, 2014
Amount	$ 113,818	$ 18,406

The Company is required to pay US $710,000 under the Bell Sombrero Butte acquisition agreement. The first payment of US $60,000 was due on January 9, 2013 and the balance of US $650,000 is due on January 9, 2014.

The Company is committed to pay $1,000,000 in 2013, $1,000,000 in 2014 and $750,000 in 2015 in connection with an agreement on the Schaft Creek property.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, investment, trade and other payables and shareholder loan. The fair values of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term to maturity of

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these instruments.

The Company classifies financial assets and liabilities as fair value through profit and loss, available for sale, held to maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition.

Financial assets and liabilities classified as fair-value-through-profit-and-loss are measured at fair value, with gains and losses recognized in operations. Financial assets classified as held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized in other comprehensive income until realized, or if impaired, the unrealized loss is recorded in income.

Related Party Transactions

During the year ended October 31, 2012 directors and officers of the Company incurred $902,981 (2011 - $745,858) for management and technical services on behalf of the Company. At October 31, 2012 $43,199 (2011 – $22,000) is included in accounts payable.

Also, during the year ended October 31, 2012 a Company controlled by a Director's family member loaned the Company $2,000,000. 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.

Mineral Property

As of October 31, 2012, the Company has incurred approximately $84.3 million qualifying expenditures ('QE') at Schaft Creek under the terms of the Option Agreement with Teck. Teck has an earn-back right under the terms of the option which is based on the qualifying expenditures incurred by Copper Fox. Should Teck elect to exercise its earn-back option it will be required to solely fund subsequent property expenditures to the extent of 100%, 300% or 400% to earn 20%, 40% or 75% of the Copper Fox interest. Also, in the event Teck elects to earn 75% interest, it is responsible for arranging project financing including that of Copper Fox. A comparison and detail of these expenditures related to the Schaft Creek property for 2012, 2011 and 2010 is as follows:

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	Expenditures November 1, 2011 to October 31, 2012	Expenditures November 1, 2010 to October 31, 2011	Expenditures November 1, 2009 to October 31, 2010
Drilling Program/camp activities	$ 6,490,133	$ 11,404,933	$ 4,520,022
Environmental Program	1,191,512	860,951	1,688,798
Feasibility Study	2,768,243	1,998,185	3,270,241
Social License	99,629	211,995	138,924
Geology, Engineering, Metallurgy	785,084	450,692	1,190,290
Testing, Assaying, Mapping, Etc.	857,030	603,903	470,200
Miscellaneous	358,281	272,547	239,029
Capital Compensation	206,544	586,924	50,336
	$ 12,756,456	$ 16,390,130	$ 11,567,840

A comparison and detail of expenditures related to the Schaft Creek properties not included in Schedule A of the Option Agreement for 2012, 2011 and 2010 is as follows:

	Expenditures November 1, 2011 to October 31, 2012	Expenditures November 1, 2010 to October 31, 2011	Expenditures November 1, 2009 to October 31, 2010
Acquisition costs	$ 92,000	$ 2,943,788	$ -
Staking	55,081	27,096	-
Technical analysis	-	89,037	-
	$ 147,081	$ 3,059,921	$ -

A comparison and detail of expenditures related to the Arizona properties for 2012, 2011 and 2010 is as follows:

	Expenditures November 1, 2011 to October 31, 2012	Expenditures November 1, 2010 to October 31, 2011	Expenditures November 1, 2009 to October 31, 2010
Acquisition costs	$ 977,808	$ -	$ -
Permitting	30,119	-	-
Technical analysis	22,809	-	-
	$ 1,030,736	$ -	$ -

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Critical Accounting Estimates

The preparation of financial statements in accordance with IAS 34 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Although these estimates are based on management's expectations for the likely outcome, timing and amounts of events or transactions, actual results could differ from those estimates. Areas requiring the use of management estimates include the determination assumptions used in the determination of the remaining life of property and equipment, estimating future decommissioning liabilities and estimating accrued liabilities.

The following are areas where significant estimations or where measurements are uncertain are as follows:

i) Mineral property and exploration and evaluation assets

The measurement and impairment of mineral properties are based on various judgments and estimates. These include the technical and commercial feasibility of these properties, which incorporates various assumptions for mineral reserves and/or resources, future mineral prices and operating and capital expenditures for the properties.

ii) Taxation

Tax provisions are recognized to the extent that it is probable that there will be future outflow of funds to a taxation authority. Such provisions often require judgment on the treatment of certain taxation matters that may not have been reported to or assessed by the taxation authority at the date of these financial statements. Differences in judgment by the taxation authority could result in changes to actual taxes payable by the Company.

Deferred tax assets are recognized to the extent that certain taxable losses or deferred expenditures will be utilized by the Company to reduce future taxes payable. The amount of deferred tax assets recognized, if any is based on objective evidence that the Company will generate sufficient future taxable income to utilize these deferred assets, as well as the expected future tax rates that will apply to these assets.

Changes to the Company's ability to generate sufficient taxable income or changes to enacted tax rates could result in the recognition of deferred tax assets.

iii) Stock-based compensation

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options and share purchase warrants granted. This model requires management to estimate the volatility of the Company's future share price, expected lives of stock options and future dividend yields. Consequently, there is significant measurement uncertainty in the stock-based compensation expense reported.

Risk Factors

The business of exploration for minerals and mining involves a high degree of risk, as few properties that are explored are ultimately developed into producing mines. Mineral exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral

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deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, any of which could result in the Company not receiving an adequate return on invested capital.

There are significant risks associated with exploration and development activities including industrial accidents, flooding, environmental hazards, technical problems and labour disputes which could materially adversely affect future mining operations and the Company's financial position. There is no certainty that the expenditures made or to be made by the Company in the exploration of its properties will result in discoveries of mineralized material in commercially viable quantities. Most exploration projects do not result in the discovery of commercially mineable ore deposits. Mining operations generally involve a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The business of mining is subject to a variety of risks such as industrial accidents, flooding, environmental hazards such as fires, technical failures, labour disputes and other accidents at the mine facilities. Such occurrences, against which the Company cannot or may elect not to insure, may delay production, increase production costs or result in liability. The payment of such liabilities may have a material adverse effect on the Company's financial position.

Marketability of natural resources which may be discovered by the Company will be affected by numerous factors beyond its control. The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any mineral occurrences discovered. The price of minerals has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

If the Company's programs are successful, additional funds will be required for the development of an economic ore body and to place it into commercial production. The business of mineral exploration and extraction involves a high degree of risk with very few properties that are explored ultimately achieving commercial production. As a mining company in the development stage, the future ability of the Company to conduct exploration and development will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means. In turn, the Company's ability to raise such funding depends in part upon the market's perception of its management and properties, but to a great degree upon the mineral prices and the marketability of securities of speculative exploration and development mining companies.

The development of any ore deposits found on the Company's exploration properties depends upon the Company's ability to obtain financing through any or all of equity financing, debt financing, the joint venturing of projects, or other means. There is no guarantee that additional funds will be available on terms acceptable to the Company or at all. In the event that the Company's operating cash flow is negative this may have a material adverse effect on the Company and its stock price.

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Title Matters
In those jurisdictions where the Company has property interests, the Company makes a search of mining records in accordance with mining industry practices to confirm satisfactory title to properties in which it holds or intends to acquire an interest, but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims, or concessions. The ownership and validity of mining claims and concessions are often uncertain and may be contested. There is, however, no guarantee that title to the Company's properties and concessions will not be challenged or impugned in the future. The properties may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

The Company has a lack of operating history and has no history of earnings. The Company has no history of earnings or positive operating cash flows. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares or by way of debt facilities. While the Company may generate additional working capital through the operation, development, sale or possible syndication of its properties, there is no assurance that any such funds will be generated.
The Company's activities on the Schaft Creek Property are subject to environmental regulations. All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations, or its ability to develop its properties economically. Before production may commence on any property, the Company must obtain regulatory and environmental approvals and permits. There is no assurance such approvals and permits will be obtained on a timely basis, if at all. Compliance with environmental and other regulations may reduce profitability, or preclude economic development of a property entirely.

The Company is in competition with other mining companies that have greater resources and experience. The resource industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for exploration in the future.

The Company is dependent on key personnel and the absence of any of these individuals could result in a significantly negative effect on the Company. The success of the Company and its ability to continue to carry on operations is dependent upon its ability to retain the services of certain key personnel. The loss of their services to the Company may have a material adverse effect on the Company. The Company does not presently have "key person" life insurance for any of its officers.

Some of the directors of the Company are involved with other mineral resource companies and may have a conflict of interest in negotiations on a project that is also of interest to the Company. Certain of the directors of the Company are directors of other mineral resource companies and, to the extent that such other companies may be interested in a project also of interest to the Company, or may in the future participate in one or more ventures in which the Company

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participates, such directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises, at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such acquisition or participation. In the appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participating in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program.

Legal Proceedings against Foreign Directors
The Company is incorporated under the laws of British Columbia, Canada, and some of the Company's directors and officers are residents of Canada. Consequently, it may be difficult for United States investors to affect service of process within the United States upon the Company or upon its directors or officers, or to realize in the United States upon judgments of United States courts predicated upon civil liabilities under the United States Securities Exchange Act of 1934, as amended. Furthermore, it may be difficult for investors to enforce judgments of U.S. courts based on civil liability provisions of the U.S. federal securities laws in a foreign court against the Company or any of the Company's non-U.S. resident officers or directors.

Shareholder Dilution
It is possible that some of the additional capital required by the Company may be raised through the issuance of additional equity securities, resulting in dilution to the Company's shareholders.

Permits and Licenses
The operation of a company requires permits from the government of the country in which the company operates. There can be no assurance that a company will be able to obtain all necessary permits that may be required to carry out its operations in the future.

IFRS

As discussed under the heading "Introduction" of this MD&A, the year ended October 31, 2012 will be the first the Company will present in accordance with IFRS. The Company's critical IFRS accounting policies and impacts of the transition from Canadian GAAP to IFRS are described below. A comprehensive reconciliation between Canadian GAAP and IFRS balances is provided in Note 13 of the audited consolidated financial statements for the years ended October 31, 2012 and October 31, 2011.

Mineral properties
During the first quarter of October 31, 2009, the Company wrote down the carrying value of its mineral property by $31 million based on the implied fair value of a proposed board approved transaction which was subsequently terminated. As at November 1, 2010, there were significant increases in the market value of the Company and the implied property value when compared to the first quarter of October 31, 2009. The Company considered this to be an indicator of impairment reversal for its mineral properties. Based on the assessment, the Company determined that $31 million of previous impairment should be reversed.

Asset retirement obligation
The asset retirement obligation has been re-measured as per the requirements of IFRIC 1 as at November 1, 2010. The

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measurement difference between Canadian GAAP and IFRS is primarily related to the use of liability specific discount rate under IFRS which are to be updated each reporting period.

Flow through shares
Flow through shares are a unique Canadian tax incentive which is the subject of specific guidance under Canadian GAAP, however, there is no equivalent IFRS guidance. Therefore, the Company intends to adopt a policy whereby the premium paid for flow through shares in excess of the market value of the shares without the flow through features at the time of issue is credited to other liabilities and included in expenses at the time the qualifying expenditures are made.

Income tax
Due to the adjustment to mineral properties discussed above and the flow through share premium also discussed above, their carrying value in accordance with IFRS are different than under with Canadian GAAP and the resulting deferred income taxes balances reflect this difference.

Share Capital

The Company is authorized to issue an unlimited number of common shares of which 397,647,992 were outstanding at October 31, 2012. The following table shows the detailed number of shares, options and warrants outstanding as of October 31, 2012 and changes that have occurred up to the date of this MD&A.

	As of 31-Oct-12	Change in 2012/2013	Issued in 2012/2013	As of 13-Feb-13
Common shares issued and outstanding	397,647,992		1,958,824	399,606,816
Common shares issuable upon exercise of stock options	10,785,000	(835,000)		9,950,000
Common shares issuable upon exercise of warrants	14,952,602	1,764,706		16,717,308
Common shares fully diluted	423,385,594	929,706	1,958,824	426,274,124

Subsequent Events

In December 2012, the Company released results of its positive feasibility study on its Schaft Creek deposit using open pit mining and processing a nominal rate of 130,000 tonnes per day with a 21 year mine life producing 4.88 billion pounds of copper, 4.21 million ounces of gold, 25.10 million ounces of silver and 214.92 million pounds of molybdenum.

In December 2012, the Company extended the expiry dates of two sets of warrants. The warrants to purchase 3,278,689 common shares issued pursuant to the December 2011 Private Placement were extended to December 13, 2013. The warrants to purchase 2,000,000 common shares issued pursuant to the January 2012 Private Placement were extended to January 30, 2014.

In January 2013, 635,000 options to purchase common shares of the Company ("Options") which had previously been extended due to a blackout expired and 1,000,000 Options were extended for one year.

In January 2013, the Company closed a financing for proceeds of $1,500,000. The financing consisted of the issuance of

1,764,706 units at a purchase price of $0.85 per unit, and was 100% subscribed for by an insider and control person of the Company. Each unit consists of one common share of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of CDN $1.00 prior to 5:00 PM January 22, 2014.

In January 2013, the Company granted Options to directors, officers, employees and a consultant of the Company for the purchase of a total of 635,000 shares of the Company at an exercise price of $0.94 per share and an expiry date of January 23, 2014. The Options granted to directors, officers and employees vest in equal tranches at three, six and nine months from the date of grant. In accordance with TSX Venture Exchange policies, the Options granted to the consultant of the Company vest in quarterly installments over a 12 month period.

In February 2013, the Company filed its positive feasibility study on the Schaft Creek project on www.sedar.com, and also delivered a copy of the positive feasibility study to Teck. See the Company's news release dated February 4, 2013.

Cautionary Note Regarding Forward-Looking Information

This Management's Discussion and Analysis (MD&A) contains "forward-looking information" within the meaning of the Canadian securities laws. Forward-looking information is generally identifiable by use of the words "believes," "may," "plans," "will," "anticipates," "intends," "budgets", "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-looking information in this MD&A includes statements about the results of a positive Feasibility Study for the Schaft Creek project; the technical and financial viability of a 130,000 tonne-per-day copper mining and processing operation at Schaft Creek; economic potential of the Schaft Creek mineral deposit; the existence and size of the mineral deposit at Schaft Creek; recommended future diamond drilling programs; potential upgrade of inferred resource currently treated as waste to either measured or indicated mineral resources; the productive mine life of the Schaft Creek project; average annual copper production in concentrates; initial and sustaining capital costs; LOM site operating cash costs and copper production costs; potential expansion and development of the project; opportunities to lower operating and capital costs and increase capital revenue; the length and scope of work for the pre-production period; additional metallurgical testwork to pursue opportunities to increase metal recoveries and reduce processing costs; use of new floatation technology which could ultimately reduce construction and capital costs while at the same time reducing operating costs; timing and amount of estimated future production; a Province of British Columbia Environmental Assessment Application and a Federal Environmental Impact Statement; a British Columbia Environmental Assessment Certificate and Federal environmental approvals; the construction of the NTL and timing thereof; discussions with BC Hydro on the terms and conditions surrounding participation and purchasing of electrical power from the NTL; the development schedule for the project; additional exploration to the east and north of the Paramount zone and north of the Liard zone; the process and expectations for metal recovery; estimated metal production over the life of the mine; estimated LOM average metal content, impurity element levels and, as applicable, moisture content; design, construction and capacity of a tailings storage facility; estimated capital costs; life of mine copper production total and cash costs per produced pound; projected future metal prices; the delivery of the Positive Bankable Feasibility Study and Feasibility Notice to Teck; the commencement of the 120 day period for which Teck may exercise its Back-in Right under the Teck Option Agreement; the aggregate incurred Expenditures; the Option to acquire the Indirect Holdings in Liard Copper Mines; the activity related to the Schaft Creek project during the 120 day period; establishment of work programs; the quantum and quality of porphyry style copper-gold-silver-molybdenum deposits at the Schaft Creek property; the potential to find additional porphyry style copper deposits within the Schaft Creek property; the acquisition of Bell's Sombrero Butte property in Arizona and the pending acquisition of Bell's Van Dyke property in Arizona; ongoing obligations of Copper Fox in connection with the Van Dyke and Sombrero Butte acquisitions; expected capital requirements to continue planned activities; expected sources and the adequacy of required capital resources; the timing and scope of expected diamond drilling; potential existence and size of mineralization within the Schaft Creek project; estimated timing and amounts of future expenditures and "earn-back" options; geological interpretations and potential mineral recovery processes. Information concerning measured mineral resources, indicated mineral resources and inferred mineral resources also may be deemed to be forward-looking information in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined.

In connection with the forward-looking information contained in this MD&A, Copper Fox has made numerous assumptions, regarding, among other things: the economic models for the Schaft Creek project, including the NPV and ROV models; the calculation of estimate capital costs of the project; costs of production; success of mining operations; projected future metal prices; engineering, procurement and construction timing and costs; the timing and obtaining of permitting and approvals; the due delivery of the positive Feasibility Study to Teck pursuant to the Teck Option

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Agreement; the acceptance by Teck of the positive Feasibility Study as a "Positive Bankable Feasibility Study" as defined in the Teck Option Agreement; the commencement of the 120 day period for Teck to exercise its earn back rights; that Expenditures have been incurred in accordance with the Teck Option Agreement and in Company's expected quantum the potential mineralization in the Schaft Creek deposit; the geological, metallurgical, engineering, financial and economic advice that Copper Fox has received is reliable, and is based upon practices and methodologies which are consistent with industry standards; and the continued financing of Copper Fox's operations. While Copper Fox considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies. Additionally, there are known and unknown risk factors which could cause Copper Fox's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: the results of the positive Feasibility Study may not lead to the development of a mine at Schaft Creek or commercial mining operations; the project development plans and timing for Schaft Creek as outlined in the Feasibility Study may not occur as currently anticipated, or at all; Teck may not accept that the delivery of the positive Feasibility Study constitutes delivery of a "Positive Bankable Feasibility Study" as defined pursuant to the terms of the Teck Option Agreement; the 120 day period that Teck has to exercise its earn back rights may not have commenced; the "Expenditures" may not constitute Expenditures as defined in the Teck Option Agreement in the quantum anticipated by Copper Fox, or at all; inferred resources, currently treated as waste, may never be upgraded to a high category of resource; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; uncertainties related to the estimated mine life and potential extension thereof; the possibility of delays and cost overruns in engineering, procurement and construction of the project and uncertainty of meeting anticipated project milestones; the Environmental Assessment Application and Federal Environmental Impact Statement may not be completed timely manner, or at all, or provincial or federal environmental approvals may not be obtained in a timely manner, or at all; the possibility that future obligations with respect to the Van Dyke and Sombrero Butte properties may not be met on a timely basis, or at all; Copper Fox may not proceed or continue with activity on the Schaft Creek project as currently planned; additional metallurgical testwork may not be completed, nor result in increased metal recoveries; further exploration at Schaft Creek may not occur as currently anticipated, or at all; the actual mineralization in the Schaft Creek deposit may not be as favourable as suggested; another deposit may never be discovered on Copper Fox's property, or contain anticipated mineralization, or mineralization of any significance at all; the possibility that future drilling on the Schaft Creek project may not occur on a timely basis, or at all; fluctuations in metal prices and currency exchange rates; conditions in the financial markets and overall economy may continue to deteriorate; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of the metallurgical testwork; the uncertainty of the estimates of capital and operating costs, recovery rates, and estimated economic return; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals.

A more complete discussion of the risks and uncertainties facing Copper Fox is disclosed in Copper Fox's continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com. All forward-looking information herein is qualified in its entirety by this cautionary statement, and Copper Fox disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.