Management's Discussion and Analysis of Financial Condition and Results of Operation

For the Year Ended October 31, 2020

As of January 28, 2021

1. 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, 2020 and the related notes thereto.

All the Company's material subsidiaries are wholly owned. As at January 28, 2021, the Company owned 24.30% of the outstanding common shares of District Copper Corp., ("**District"** or **"District Copper"**). Accounting policies are applied consistently throughout all consolidated entities.

Technical and corporate information contained in this MD&A has previously been disseminated by way of news releases and are 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 3).

All amounts expressed are in Canadian dollars unless otherwise stated. The MD&A is current as of January 28, 2021 and was reviewed, approved, and authorized for issue by the Company's Board of Directors on the aforementioned date.

Description of Business

Copper Fox is a Canadian based resource company with a Tier 1 listing on the TSX Venture Exchange ("**TSX:V**") under the trading symbol CUU. The Company is focused on the exploration and development of copper projects in North America. The Company maintains its head office at Suite 650, 340 – 12th Avenue SW, Calgary, Alberta.

Copper Fox has a pipeline of high-quality operated and non-operated porphyry and in-situ copper recovery projects in both the exploration and advanced stages that provides the Company with the ability to increase value not only through exploration but also through more advanced stage development studies. Copper Fox's wholly owned subsidiaries; Desert Fox Copper Inc. ("**Desert Fox**") and Northern Fox Copper Inc. ("**Northern Fox**") were established to manage all future exploration and development activities, including equity interest acquired in other mineral projects within North America. Desert Fox has an office space in Miami, Arizona and holds the US assets of the Company and Northern Fox holds the investment in District Copper. Copper Fox's primary assets are its 25% interest in the Schaft Creek Joint Venture (**"SCJV"**) with Teck Resources Limited ("**Teck**") on the Schaft Creek copper-gold-molybdenum-silver project located in northwestern British Columbia and its 100% owned Van Dyke copper projects.

Desert Fox's wholly owned subsidiaries: Desert Fox Minerals Co, Desert Fox Van Dyke Co, and Desert Fox Sombrero Butte Co, hold mineral tenures located in Pinal and Gila Counties, which are all located in the Laramide age porphyry copper belt in Arizona. To date the Company has not earned revenues from any of these activities and these projects are still considered to be in the exploration and development stage.

As at the date of this MD&A, Copper Fox's directors and officers are as follows:

Directors	**Officers and Position**
Elmer B. Stewart (Chairman)	Elmer B. Stewart, President and Chief Executive Officer
R. Hector MacKay-Dunn	Braden Jensen, Chief Financial Officer
J. Michael Smith	J. Michael Smith, Corporate Secretary
Ernesto Echavarria	
Erik Koudstaal	

Audit Committee	**Corporate Governance and Nominating Committee**	**Compensation Committee**
Erik Koudstaal (Chairman)	Elmer B. Stewart	R. Hector MacKay-Dunn
J. Michael Smith	Erik Koudstaal	J. Michael Smith
Ernesto Echavarria	R. Hector MacKay-Dunn	Ernesto Echavarria

Qualified Person

Mr. Elmer B. Stewart, MSc. P. Geol., President and CEO of the Company, is the qualified person as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") who has reviewed and approved all technical and scientific disclosure contained in this MD&A regarding the Company's mineral properties. Mr. Stewart is not independent of the Company.

2. FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "*forward-looking statements*" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this MD&A and the Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable laws.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral resource and mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. This MD&A contains forward-looking statements which reflect management's expectations and goals, as well as statements with respect to our belief, plans, objectives, expectations, anticipations, estimates and intentions. The words "may", "will", "continue", "could", "should", "would", "suspect", "outlook", "believes", "plan", "anticipates", "estimate", "expects", "intends" and words and expressions of similar import are intended to identify forward-looking statements.

Forward-looking statements include, without limitation, information concerning possible or assumed future results of the Company's operations. These statements are not historical facts and only represent the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration and development activities and commitments and future opportunities. Although management considers those assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

These statements do not guarantee future performance and involve assumptions and risks and uncertainties that are difficult to predict, therefore, actual results may differ materially from what is expressed, implied, or forecasted in such forward-looking statements.

By their very nature, forward looking statements involve several known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements considering the risk factors set forth below and as further detailed in the "*Risks and Uncertainties*" section of this MD&A.

These risk factors include, but are not limited to, fluctuation in metal prices which are affected by numerous factors such as global supply and demand, inflation or deflation, global political and economic conditions; the Company's need for access to additional capital to explore and develop its projects; the risks inherent in the exploration for and development of minerals including the risks of estimating the quantities and qualities of minerals, operating parameters and costs, receiving project permits and approvals, successful construction of mining and processing facilities, and uncertainty of ultimate profitability of mining operations; risks of litigation and other risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on any forward-looking statements in this MD&A to make decisions with respect to the Company, investors and others should carefully consider the risk factors set out in this MD&A and other uncertainties and potential events.

3. YEAR ENDED OCTOBER 31, 2020 HIGHLIGHTS AND SIGNIFICANT EVENTS

- On November 28, 2019, Copper Fox announced that two large areas of vein hosted copper mineralization were located within the chargeability anomaly outlined in 2015 on the Sombrero Butte property. Trace element geochemical vectoring supports an upward migration of hydrothermal fluids from a buried porphyry system. Drilling targets have been identified.

- On February 10, 2020, the Company entered into a property sales agreement with District Copper, where District agreed to sell to Northern Fox, all its right, title, and interest in and to the Eaglehead property (15,956 hectares) located in the Liard Mining Division of northern British Columbia. Please see the News Release dated February 10, 2020 for details of the agreement.

- On February 13, 2020, Copper Fox announced, a non-brokered private placement of up to 22,500,000 Units at a price of $0.08 per Unit to raise up to $1,800,000 in gross proceeds. Each Unit consisted of one common share and one-half common share purchase warrant. Each whole warrant entitled the holder to purchase one common share for an exercise price of $0.12 during the first 12-month period after the closing and $0.15 during the second 12-month period. If the 20-day volume weighted average price of the common shares listed on the TSX: V is above $0.20, the expiry date of the warrants is accelerated to a date that is 30 days after the first date such threshold is met.

- On March 10, 2020, Copper Fox announced that, due to the extreme volatility and overall downturn in the stock markets, the Company, re-priced its non-brokered private placement announced on February 13, 2020. The re-priced placement consists of up to 30,000,000 Units at a price of $0.06 per Unit. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share for an exercise price of $0.10 during the first 12-month period after the closing and $0.12 during the second 12-month period. If the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above $0.15, the expiry date of the warrants will be accelerated to a date that is 30 days after the first date such threshold is met.

- On March 25, 2020, Copper Fox announced the results of the updated resource estimate for the Van Dyke project that resulted in; classifying a significant portion of the resource as Indicated, an increase in overall tonnage and an increase in soluble copper grade and soluble copper metal for the deposit. These changes are due to the 2019 re-assay program, updated geology, and updated metallurgical review and analyses.

- On March 26, 2020, Copper Fox announced closing the first tranche of its non-brokered private placement, raising gross proceeds of $1,481,940 through the sale of 24,699,002 Units at a price of $0.06 per Unit pursuant to the terms and conditions announced on March 10, 2020.

- On March 30, 2020, Copper Fox announced that it amended the terms of the warrants attached to its non-brokered private placement. The warrants will now have an exercise price of $0.09 during the 36-month period after the closing and $0.12 during the following 12-month period. In addition, the Company left the private placement open until April 24, 2020 based on the price reserved by news release on March 10, 2020.

- On April 27, 2020, Copper Fox closed the second and final tranche of its previously announced non-brokered $1,800,000 private placement. The Offering raised aggregate gross proceeds of $1,723,240 through the sale of 28,720,669 Units at a price of $0.06. The net proceeds will be used for the acquisition of the Eaglehead project, exploration activities and general and administrative purposes of the Company. The Offering included subscriptions by four insiders of the Company. Mr. Ernesto Echavarria, a director, insider and a control person of the Company purchased 21,666,667 Units.

- On May 5, 2020, Copper Fox filed on SEDAR; a National Instrument 43-101 Technical Report titled "Technical Report and Updated Resource Estimate for the Van Dyke Copper Project" dated May 4, 2020 prepared by Moose Mountain Technical Services ("**MMTS**"). The Technical Report concluded; potential for additional resources is extensive to the south and at depth and that soluble copper recovery of 90% should be achievable. The report included a recommended program estimated to cost US$10 million.

- On May 21, 2020, the Company extended the expiry dates of 24,549,665 outstanding warrants issued on June 30, 2016, July 27, 2017, and June 14, 2018 respectively for one year. These warrants continue to be exercisable at their original exercise price. The TSX Venture Exchange consented to the extension in the expiry dates of the warrants on May 26, 2020.

- On May 21, 2020, District Copper received conditional approval from the TSX Venture Exchange for the proposed sale of the Eaglehead property to Northern Fox, a wholly owned subsidiary of Copper Fox Metals Inc.

- On June 19, 2020, Copper Fox announced the Annual General Meeting of the Shareholders would be held on August 20, 2020. The Company also provided updates on the Schaft Creek Joint Venture ("**SCJV**") activities, the Eaglehead transaction and status of Geological Field Operations Plans ("**GFOP**") to perform further exploration work on its 100% owned Mineral Mountain and Sombrero Butte projects in Arizona.

- On July 13, 2020, Copper Fox provided an update on its Mineral Mountain copper project that included a proposed 18.2 km chargeability/resistivity survey and that Age dating (U/Pb zircon age) of the quartz monzonite stock yielded a mean age of 69.7 +/- 0.4 Ma. confirming a Laramide age for the intrusive. The Laramide intrusive exhibits a significant degree of zircon inheritance from basement rocks like many of the other Laramide age porphyry copper systems in Arizona.

- On July 22, 2020**,** Copper Fox announced acceleration of the Expiry Date for warrants issued on March 30, 2020 and April 27, 2020 (see news releases dated March 30 and April 27, 2020), due to the weighted average price of the common shares being above $0.15 for a period of 20 consecutive trading days, thereby automatically accelerating the Expiry Date of the Warrants to August 21, 2020.

- On July 23, 2020**,** Copper Fox waived the acceleration of the Expiry Date for warrants issued on March 30 and April 27, 2020. Accordingly, the Expiry Date shall remain as stated in each applicable warrant certificate.

- On August 19, 2020, Copper Fox through its wholly owned subsidiary Desert Fox Copper Inc., announced that it engaged MMTS to complete an updated Preliminary Economic Assessment ("**PEA**") on its Van Dyke in-situ copper recovery ("**ISCR**") project to determine the impact on both project economics and mine life based on the results of the 2020 Updated Resource Estimate (see News Release dated May 5, 2020).

- On September 22, 2020, Copper Fox provided an update on its Mineral Mountain porphyry copper project indicating the requirement to complete an environmental assessment prior to commencing the proposed geophysical survey and that a vector study constrained the interpreted center of the porphyry system and identified multiple overlapping hydrothermal events.

- On October 7, 2020, Copper Fox provided an update on the PEA on the Van Dyke project. The update included revisions to the mine plan, well field design and layout, metallurgical recovery/process flowsheet design as well as operating, capital and sustaining costs and the conceptual timeline on development and operations.

Subsequent to the Year Ended:

- On November 3, 2020, Copper Fox reported that the metallurgical and process portions, copper production schedules, annual production of 85Mlbs/year, a sweep efficiency of 89% and metallurgical recovery at 90% have been established for the Van Dyke PEA.

- On November 24, 2020, Copper Fox engaged Tetra Tech Canada Inc. ("**Tetra Tech**") to prepare a PEA for the Schaft Creek project. The PEA will provide an update on technical and economic changes to the Schaft Creek project based on a 133 ktpd mining and milling throughput case. The Schaft Creek Project is a joint venture between Teck Resources Limited ("**Teck**") (75% and Operator) and Copper Fox (25%). The SCJV was formed in July 2013.

- On December 10, 2020, Copper Fox provided an update related to the PEA for the Schaft Creek project, the PEA on the Van Dyke project, the Notice of Work and Permit to conduct exploration activities on the Eaglehead project and preparation of the 2021 GFOP to conduct drilling operations on the Sombrero Butte project in Arizona.

- On January 13, 2021, Copper Fox announced results from an external, independent PEA for its Van Dyke ISCR project. The PEA was prepared under the direction of MMTS with an effective date of December 30, 2020 (see Property Summary in this MD&A).

- Subsequent to year end, 7,387,667 warrants were exercised for proceeds of $1,038,370.

4. PROPERTY SUMMARY

Industry Overview

While the repercussions of the second wave of the COVID-19 pandemic ("**COVID-19**") impact world economies, the outlook for metal demand going forward remains very positive. With global policies focussing on green initiatives, sustainable energy generation, transmission, and consumption, the demand for copper, a major component in these initiatives, is expected to increase significantly. Extensive fiscal stimulus in the world's largest economies continue to strengthen the fundamentals, and the demand in markets for copper concentrate remain tight. An example of this is in China, where September 2020 copper imports were at the second highest level on record. Spot copper prices have increased to the US $3.50/lb range, a price not seen since 2013, a very positive sign for the copper industry. While the long-term outlook and demand fundamentals for the metals industry is bullish, driven by demand from government policies to advance green initiatives, cleaner energy, and infrastructure requirements; the supply side of for copper fundamentals continue to deteriorate because of rapidly declining head grades at existing mines, historically low copper inventories, and a low inventory of large, advanced stage copper projects in the exploration and development pipeline. The combination of these factors combined with the forecasted demand going forward bodes well for the copper industry but does little for an industry facing a projected significant supply deficit.

Corporate Overview

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, customers, economies, and financial markets globally, leading to an economic downturn. It has also disrupted the normal operations of many businesses, including ours. This outbreak could decrease spending, adversely affect, and harm our business and results of operations. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business or results of operations at this time.

During Q4 2020, despite the operational delays resulting from COVID-19, the Company was successful in advancing its two primary assets. The Company commissioned PEAs on both its 100% owned Van Dyke project in Arizona, and the Schaft Creek project in northwestern British Columbia. The results of the Van Dyke PEA were announced on January 13, 2021 and the Schaft Creek PEA is expected to be completed in Q2 2021.

In Arizona, the Authorization from the Bureau of Land Management ("**BLM**") to complete the Environmental Assessment ("**EA**") on the Mineral Mountain project has not yet been received, and the proposed drone magnetic survey on the Sombrero Butte project has been cancelled.

The Company will continue to work toward obtaining authorization to complete the EA on the Mineral Mountain project, finalize its plans for the Sombrero Butte project and acquisition of the Eaglehead project.

COVID-19 Response Plan

The Company has developed COVID-19 protocols based on updated rules and regulations outlined by the Province of BC Ministry of Energy and Mines about operating safely in BC as well as following guidelines recommended by the State of Arizona for our US operations.

Schaft Creek Project

The SCJV was created in 2013 between Teck and Copper Fox to further explore and develop the Schaft Creek project. The project hosts one of the largest undeveloped porphyry copper-gold-molybdenum-silver deposits in North America and is located in the Liard Mining Division of northwestern British Columbia, within Tahltan territory. The Schaft Creek deposit remains open to expansion in several directions and the exploration potential to locate additional zones of porphyry style mineralization within the project is considered significant.

Under the SCJV agreement, Teck is required to make three cash milestone payments to the Company: (i) $20 million upon entering into the agreement (received), (ii) $20 million upon a production decision approving mine construction, and (iii) $20 million upon completion of construction mine facilities.

The SCJV agreement provides that Teck and the Company are each responsible for their pro-rata share of project costs in accordance with their interests, except that Teck is solely responsible for the first $60 million in pre-production costs. If pre-production costs exceed $60 million, the Company's pro rata share of such costs will be set off against the two remaining cash milestone payments (totaling $40 million) payable by Teck to the Company. If pre-production costs exhaust the two cash milestone payments, Teck will further assist the Company by providing loans, as necessary, without dilution to the Company's 25% joint venture interest.

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By way of example, assuming the existing 75% interest held by Teck and the 25% interest held by the Company remain unchanged, pre-production expenditures on the Schaft Creek Project would have to exceed a cumulative total of $220 million to eliminate the two cash milestone payments payable to the Company through set-off, after which Teck would be obligated to fund the Company's pro-rata share of additional pre-production costs by way of loan to the Company (at prime plus 2%).

On January 23, 2013, Copper Fox filed a NI 43-101 Technical Report entitled "Feasibility Study on the Schaft Creek Project, BC Canada" prepared by Tetra Tech with A. Farah, P.Eng. et al. as Qualified Persons. The Feasibility Study proposed a 130,000 tonne per day truck and shovel/flotation/open pit mine. The Feasibility Study indicated that the NPV and the IRR for the Schaft Creek project were most sensitive to fluctuations in the Foreign Exchange ("**FOREX**") between the Canadian and United States dollar and the price of copper. The Feasibility Study used a FOREX of $1.00 US = $0.97 CAD and a copper price of US $3.25/lb.

The Feasibility Study completed in 2013 on the Schaft Creek project should be treated as historical in nature. The recommendation and conclusions outlined in that Feasibility Study should not be relied upon.

Between 2013 and 2017, the SCJV continued collecting additional geological, geotechnical, metallurgical and baseline environmental information from the Schaft Creek project as well as participating in social and cultural initiatives with the Tahltan Nation.

In 2018, the SCJV updated the resource estimate for the Schaft Creek project and confirmed that there were no changes between the Measured and Indicated Resource categories used in the 2013 Feasibility Study and the 2018 resource update. The table below shows the 2018 Mineral Resources statement:

Category	**Tonnes (Mt)**	**Cu (%)**	**Au (g/t)**	**Mo (%)**	**Ag (g/t)**	**Cu (Blbs)**	**Gold (Mozs.)**	**Mo (Mlbs)**	**Ag (Mozs.)**
Measured (M)	166.0	0.32	0.20	0.021	1.5	1.17	1.07	73.17	8.00
Indicated (I)	1,127.2	0.25	0.15	0.016	1.2	6.21	5.44	397.42	43.48
M+I	*1,293.2*	*0.26*	*0.16*	*0.017*	*1.2*	*7.38*	*6.50*	*470.60*	*51.49*
Inferred	316.7	0.19	0.14	0.019	1.1	2.23	1.42	132.33	11.18

1. *The effective date of the Mineral Resources is December 31, 2018.*
2. *Mineral Resources are reported within a constraining pit shell developed using Whittle software. Inputs to the pit optimization include the following assumptions: metal prices;* US$3.00/lb copper, US$10.00/lb molybdenum, US$1,200/oz gold, and US$20/oz silver; *pit slope angles of 40-44°; metallurgical recoveries reflective of prior test work that average 86.6% for copper, 58.8% for molybdenum, 73.0% for gold and 48.3% for silver.*
3. *Mineral Resources have been estimated using a US$4.31/t Net Smelter Return cut-off. Mining and process costs, as well as process recovering were benchmarked against similar projects.*
4. *Tonnage and grade measurements are in metric units. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content.*

In 2018 the SCJV completed a Sizing and Infrastructure Alternatives study focused on evaluating four possible operating scenarios to enhance the value of the project. This study concluded that the 133 thousand tonnes per day ("ktpd") scenario should be the focus of the 2019 program.

The 2019 program included a more in-depth analysis of the options identified in 2018 associated with the 133 ktpd scenario focusing on lowering the capital and operating costs associated with key infrastructure and access options, mine development and sequencing alternatives, tailings management facility options and site layout.

Due to the 2020 budget constraint and COVID-19, a limited environmental baseline monitoring field program was completed in early September 2020.

After Q4 2020, Copper Fox commissioned an external, independent PEA on the Schaft Creek project based on the 133 ktpd scenario advanced by the SCJV in 2019-2020. The study and Technical Report supporting the study is expected to be completed and filed on SEDAR in Q2 2021. The study will describe the status of the Schaft Creek project including an updated resource estimate, site layout/infrastructure, optimized pit plan, production schedules, initial capital, operating and life of mine sustaining costs, updated pre-tax and post-tax cash flow models and economic sensitivities.

During Q4 2020, Copper Fox incurred $5,485 in expenditures towards the Schaft Creek project for consulting fees and travel costs related to the PEA.

Van Dyke Project

In 2012, Copper Fox through its wholly owned subsidiary Desert Fox, acquired a 100% working interest in the Van Dyke copper project located in the Globe-Miami Mining District in Arizona. The acquisition cost was US$1,500,000 including assumption of continuing obligations subject to certain amended terms and conditions including a 2.5% Net Smelter Return production royalty. The Van Dyke project consists of 531.5 hectares (1,312.8 acres) of mineral rights and 5.75 hectares (14.02 acres) of surface rights.

In 2015, Copper Fox filed a NI-43-101 Technical Report entitled "Preliminary Economic Assessment Technical Report for the Van Dyke Copper Project" dated November 18, 2015 (as amended May 2017). The Technical Report was prepared under the direction of MMTS, Mr. Jim Gray, P.Eng. et al. as the Qualified Persons.

The 2015 PEA Base Case scenario yielded an after-tax NPV of US$149.5 million an IRR of 27.9% based on an 11-year mine life, copper price of US$3.00/lb and an Inferred Resource of 183 million tonnes grading 0.33% total copper containing 1.33 billion lbs; including 797 million lbs of soluble copper.

The 2015 Preliminary Economic Assessment for the Van Dyke project should be treated as historical in nature. The recommendation and conclusions outlined in the 2015 Preliminary Economic Assessment should not be relied upon.

In 2019 and early 2020, a program consisting of re-analyzing 2,193 historical sample pulps and drill core samples from 38 diamond drill holes for total copper ("TCu"), acid soluble copper ("ASCu") and cyanide soluble copper ("CNCu") and updating the geological model for the project was completed. This work significantly improved the understanding of the genesis of the deposit and controls on mineralization.

During Q2 2020, Copper Fox announced the results of an updated resource estimate for the Van Dyke project (see News Release dated March 25, 2020); see table below.

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Class	KTonnes	TCu (%)	ASCu (%)	CNCu (%)	RecCu (%)	Recovery (%)	Soluble Cu Mlbs	Total Cu Mlbs
Indicated	97,637	0.33	0.23	0.04	0.24	90	517	717
Inferred	168,026	0.27	0.17	0.04	0.19	90	699	1,007

1. The Effective Date of the above estimate is January 9, 2020.
2. The "reasonable prospects for eventual economic extraction" shape has been created based on a copper price of US $2.80/lb, employment of in-situ leach extraction methods, processing costs of US $0.60/lb copper, and all in operating and sustaining costs of US $1.25/tonne, a recovery of 90% for total soluble copper and an average Specific Gravity of 2.6t/m3.
3. Approximate drill-hole spacings is 80m for Indicated Mineral Resources.
4. The average dip of the deposit within the Indicated and Inferred Mineral Resource outlines is 20 degrees. Vertical thickness of the mineralized envelope ranges from 40m to over 200m.
5. Rounding as required by Best Practices established by the CIM reporting guidelines may result in slight apparent differences between tonnes, grade and contained metal content.

Note: Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

During Q3 2020, Copper Fox filed a NI 43-101 Technical Report titled "Technical Report and Updated Resource Estimate for the Van Dyke Copper Project" dated May 4, 2020 prepared by MMTS (effective date of January 9, 2020) that made the following recommendations and conclusions:

1) The exploration potential for additional resources is extensive to the south and at depth,
2) Metallurgical testwork indicates that the deposit is amenable to recovery using in-situ leaching with an estimated metallurgical recovery of 90%,
3) Recommendations include a combined eight-hole (4,500 m) drilling, metallurgical, geotechnical, and hydrogeological program estimated to cost US$2.13 million, and
4) Additional engineering studies to update the PEA.

Based on the positive changes in the resource statement, the revised estimated copper recovery and updated geological understanding on the distribution and controls on the mineralization, MMTS, supported by other consulting groups, was retained in Q3, 2020 to complete an updated PEA of the Van Dyke project.

During Q4 2020, the mine plan, well field design and metallurgical recovery/process flowsheet portions of the PEA were completed. Subsequent to Q4 2020, MMTS completed the PEA, the results of which were released in a news release dated January 13, 2021. The effective date of the PEA is December 30, 2020. The PEA indicates a significant improvement in project economics primarily due to the increased soluble copper content of the deposit, a better understanding of the geological and metallurgical characteristics of the deposit and adopting a phased approach to project development. A comparison of the input parameters and results for the 2015 and 2020 PEA's is set out below. The Base Case for the 2020 PEA contemplated annual production capacity of 85Mlbs of Grade "A" cathode copper production in years 2-12 declining thereafter to the end of the mine life. The resource estimate used to support the PEA was announced in March 2020 (see resource table above). The project economic are most sensitive to copper price and copper recovery.

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Table-1: Life of Mine Comparison between 2015 and 2020 Preliminary Economic Assessments

		Base Case	
Production and Cost Summary	**Units**	**2015 PEA**	**2020 PEA**
Life of Mine (LOM)	years	11	17
Copper Cathode Sold	Million lbs.	456.9	1,101.0
Copper Price	$US/lb	3.00	3.15
Gross Revenue	M$US	1,370.0	3,468.3
Royalties	M$US	31.5	82.5
Total Cash Costs	M$US	550.2	1,075.8
Total Cash Costs ($/lb recovered copper)	$US/lb copper	1.20	0.98
C1 Cash Costs ($/lb recovered copper)*	$US/lb copper	1.08	0.86
Sustaining Costs ($/lb recovered copper)	$US/lb copper	0.15	0.07
All In Sustaining Cost (AISC)**	$US/lb copper	1.36	1.14
Initial Capital Costs (includes contingency)	M$US	204.4	290.5
Taxes	M$US	110.9	321.0
Cashflow Parameters and Outputs			
Discount Rate	%	8.0%	7.5%
Pre-tax Net Free Cash Flow	M$US	453.1	1,757.3
Pre-tax NPV	M$US	213.1	798.6
Pre-tax IRR	%	35.5%	48.4%
Pre-tax Payback	years	2.3	2.0
Post-tax Net Free Cash Flow	M$US	342.2	1,436.3
Post-tax NPV	M$US	149.5	644.7
Post-tax IRR	%	27.9%	43.4%
Post-tax Payback	years	2.9	2.1

* includes Mining, Processing, Site Services, G&A, Transportation, and Royalty Costs
** includes Total Cash Cost, Sustaining Capital, Royalty Costs, Severance Taxes
lbs=pounds, M$US=million United States dollars, numbers are rounded
C1 and AISC costs are non-GAAP financial measures which do not have standardized meanings prescribed by International Financial Reporting Standards (IFRS). These measures are meant to provide further information to investors and should not be considered in isolation or used as a substitute for other measures of performance prepared in accordance with IFRS.

The results of the PEA are preliminary in nature. The PEA includes a combination of indicated and inferred mineral resources which are considered too speculative geologically to have the economic considerations applied that would enable them to be categorized as mineral reserves. There is no certainty that the PEA forecasts will be realized or that any of the resources will ever be upgraded to reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Technical Report supporting the PEA is in preparation and expected to be for filed on SEDAR and the Company's website during Q2 2021.

During Q4 2020, Copper Fox incurred $147,419 (US $110,650) in expenditures towards the Van Dyke project for rent, geology, BLM fees, property taxes and consulting fees related to completion of the 2020 PEA.

Sombrero Butte Project

In 2012, Copper Fox through its wholly owned subsidiary Desert Fox, acquired the Sombrero Butte copper project located in the Bunker Hill Mining District in Arizona. Acquisition cost was US$500,000 including assumption of continuing obligations subject to certain amended terms and conditions including an option on certain mineral and patented claims held by an arm's length third party, one $40,000 annual option payment is remaining. The Sombrero Butte project consists of three Arizona mineral exploration permits, 77 BLM claims and 3 patented mineral claims covering approximately 1,388.9 ha (3,432.5 acres).

The exploration model used to explore the Sombrero Butte project is the Laramide age, Copper Creek porphyry copper deposit located 3 kms north of the Sombrero Butte project. The surface expression of that deposit is a swarm of NW-SE trending mineralized breccia pipes hosted in the Copper Creek granodiorite. This breccia pipe swarm and the Copper Creek granodiorite extends to the southeast onto the Sombrero Butte project.

The surface exploration completed since 2013 has identified the surface footprints of two high priority porphyry targets within the property. Target #1 located in the northern portion of the property underlies the area of historical production and cross the property boundary onto the Copper Creek project to the north. Target #2 located in the center of the property is underlain by Copper Creek granodiorite, Glory Hole Volcanics and numerous previously un-mapped NNW and ENE trending grey porphyry, dark porphyry, granite porphyry and diorite porphyry dikes and a swarm of mineralized breccia pipes. Within target #2, copper-molybdenum mineralization occurs in NNW and ENE trending, steep and shallow dipping veins, and veinlets. Extensive goethite veining (after pyrite) and strong argillic alteration of the breccia pipes and to a lesser extent the Copper Creek granodiorite occur throughout this target. Target #2 is interpreted to represent the near surface expression of the cupola of a buried porphyry system.

The drone magnetic survey scheduled to be completed in Q4 2020 could not be completed prior to the anniversary dates of the three Arizona exploration permits and was deferred until early 2021. While the results of the magnetic survey would have better defined the structural pattern of the project, the Company has decided not to complete the magnetic survey and expects to proceed to a drilling program on Target #2 in 2021. A GFOP is required to be filed with and approved by the Arizona State Land Department prior to the drilling program.

For Q4 2020, Copper Fox incurred $95,020 (US $71,319) in expenditures towards the Sombrero Butte project for option payment, exploration expenses, BLM fees, exploration permits, property taxes and core storage costs.

Mineral Mountain Project

In 2015, Copper Fox through its wholly owned subsidiary Desert Fox, staked the Mineral Mountain copper project located in the Mineral Mountain Mining District, 20 miles east of Florence, Arizona. Mineral Mountain is an early-stage Laramide age, exploration project located within the 100km long, ENE structural trend that hosts the Casa Grande, Florence, Resolution and Globe-Miami copper deposits. The property is 100% owned by Copper Fox and consists of one Arizona exploration permit (725 acres) and 180 BLM claims covering approximately 2,043 ha.

Mapping and sampling programs completed between 2015 and 2019 has resulted in outlining the copper footprints of two large porphyry copper targets. The samples collected between 2015 and 2019, although not necessarily representative of the mineralization on the property, provides geochemical data that could be used as a vector to locate the cupola of the porphyry system.

Target #1 exhibits a copper "footprint" that measures 3,000m long by up to 1,500m wide, hosted primarily in a multi-phase Laramide age intrusive stock. Malachite, chrysocolla, chalcocite as well as rare covellite and chalcopyrite occur primarily in quartz veinlets, quartz stockwork, filling fractures, and disseminations suggests several episodes of weathering-oxidization-supergene enrichment of a primary sulphide copper mineralization. Three zones of coincident copper-molybdenum mineralization occur within this target; the largest of which correlates with a historical chargeability/resistivity anomaly (1,800m by 900m) outlined in 1971. Molybdenite within these zones occurs in quartz veinlets and quartz stockwork ("B" veins).

Target #2 consists of quartz veinlet and fracture hosted malachite and chrysocolla copper mineralization over a 2,800m long by 400m wide, NE trending zone hosted in Precambrian granitic and diabase rocks and in EW trending Laramide age granodiorite dikes. The mineral assemblage and alteration pattern suggest a buried intrusive stock is the possible source for the copper mineralization.

During Q3 2020, petrographic studies, Age dating and a geochemical Vector Study were completed on Target #1. Petrographic studies on 17 rock samples from the intrusive stock (previously mapped as Quartz Monzonite) identified several mineralized quartz monzonite and granodiorite intrusive phases cut by a series of late, multi-stage aplite, hornblende dacite and granodiorite dikes. Age dating (U/Pb zircon age) confirmed a Laramide age (69.7 +/-0.4Ma) for the intrusive stock hosting the copper-molybdenum mineralization. The geochemical Vector Study better constrained the interpreted center of the porphyry system and identified multiple overlapping hydrothermal events. The Vector Study recommended a 1,500 m long diamond drill hole to determine if the source of the target is within economical minable depths and whether it comprises economical grades.

During Q4 2020, Copper Fox planned to conduct a deep penetrating geophysical survey over Target #1, After review of the GFOP filed by Copper Fox; the BLM requested that an EA be completed prior to commencing the geophysical survey. SWCA Consultants from Phoenix, Arizona was retained, the scope and timeline for the survey was established and a request to the BLM for authorization to conduct the EA was submitted. Subsequent to the Q4 2020, despite numerous efforts, the BLM has not responded to the request for Authorization to conduct the EA. Copper Fox will continue to pursue receipt of the Authorization to conduct the EA into 2021.

For Q4 2020, Copper Fox incurred $ 90,211 (US $67,711) in expenditures towards the Mineral Mountain project related to in-house geological compilation work, BLM and exploration permit fees, and petrographic/age dating studies.

District Copper Investment in Associate

As of the date of this MD&A, Copper Fox, through its wholly owned subsidiary Northern Fox, owns 24.30% of the common shares of District Copper Corp.

In Q2 2020, Northern Fox executed a purchase agreement with District to acquire 100% of the Eaglehead project. Eaglehead is an exploration stage project that hosts an 8 km long multi-phase intrusive and hydrothermal system exhibiting typical porphyry style alterations and mineral assemblages. The transaction has received conditional approval from the TSX Venture Exchange. A condition for closing the transaction requires the transfer of the project permit from District to Copper Fox. Copper Fox filed a Notice of Work ("**NOW**") in May 2020.

For the Year Ended October 31, 2020 (Expressed in Canadian Dollars)

Subsequent to Q4 2020, Copper Fox has been advised by the BC Ministry of Energy, Mines and Petroleum Resources that the NOW has been forwarded to First Nation groups for review and comment. The NOW outlined proposed 2021 exploration activities consisting of a deep penetrating chargeability/resistivity survey and a geological mapping program. The NOW must be approved before exploration activities can be conducted on the project.

No work was completed on any of District's projects during Q4 2020.

5. SUMMARY OF QUARTERLY RESULTS

The quarterly results are as follows:

	October 31, 2020 3 Months Ended	July 31, 2020 3 Months Ended	April 30, 2020 3 Months Ended	January 31, 2020 3 Months Ended
Loss before taxes	$ 298,567	$ 248,589	$ 375,725	$ 205,572
Net (gain)/loss	(292,433)	248,589	375,725	205,572
Comprehensive (gain)/loss	(453,015)	940,165	(283,957)	139,438
Comprehensive (gain)/loss per share, basic and diluted	0.00	0.00	(0.00)	0.00

	October 31, 2019 3 Months Ended	July 31, 2019 3 Months Ended	April 30, 2019 3 Months Ended	January 31, 2019 3 Months Ended
Loss before taxes	$ 289,922	$ 270,252	$ 1,974,306	$ 192,708
Net loss	188,765	270,252	1,974,306	192,708
Comprehensive loss	257,746	528,250	1,732,808	176,208
Comprehensive loss per share, basic and diluted	0.00	0.00	0.00	0.00

The Company's quarterly operating expenses increased in Q4 2020 compared to Q3 2020 due to the share of loss in associate and an increase in professional fees.

6. DISCUSSION OF OPERATIONS

All the information described below is accounted for in accordance with IFRS, as issued by the IASB. The reader is encouraged to refer to Note 2 of the Company's audited annual consolidated financial statements for the year ended October 31, 2020 for Copper Fox's "*Basis of Presentation and Significant Accounting Policies*".

For the Year Ended October 31, 2020 (Expressed in Canadian Dollars)

For the year ended October 31, 2020 and 2019, the expenses were:

	Year Ended	
	October 31, 2020	October 31, 2019
Expenses		
Administration	$ 735,008	$ 795,820
Depreciation, amortization, and accretion	27,648	22,298
Loss on loss of control of subsidiary	-	1,704,779
Professional fees	264,758	176,053
Interest and other income	(2,678)	(36,472)
Share of loss of an associate	103,717	64,710
Net Loss Before Taxes	**$ 1,128,453**	**$ 2,727,188**

Year Ended October 31, 2020 Compared to Year Ended October 31, 2019

For the year ended October 31, 2020, the Company recorded a loss before taxes of $1,128,453 or $0.00 per share compared to $2,727,188 or $0.00 per share in the comparable prior year. The decrease in net loss is due to the decrease in the loss on loss of control of subsidiary, offset by the decrease in interest and other income and the increase in legal fees.

7. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As an exploration company, Copper Fox has no regular cash in-flow from operations, and the extent of its operations is principally a function of the availability of capital resources. To date, the primary source of funding has been equity financing.

As at October 31, 2020, the Company's cash position was $491,933 (October 31, 2019 - $374,507).

Major expenditures are required to establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities. The recoverability of valuations assigned to exploration and development mineral properties are dependent upon the discovery of economically recoverable reserves, the ability to obtain necessary financing to complete such exploration and development as well as the future profitable production or proceeds from potential dispositions.

Management reviews the carrying value of the Company's interest in each property and, where deemed necessary, exploration and evaluation mineral properties are written down to their estimated recoverable amount. Although management has made its best estimate of these factors, it is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and the need for, as well as the amount of, provision for impairment in the carrying value of exploration properties and related assets.

For the Year Ended October 31, 2020 (Expressed in Canadian Dollars)

Many factors influence the Company's ability to raise funds, and there is no assurance that the Company will be successful in obtaining adequate financing at favourable terms for these or other endeavours, including general working capital purposes.

Working Capital

As at October 31, 2020, Copper Fox had working capital of $422,113 (October 31, 2019 – $293,176). The working capital increased during the year ended compared to the year ended October 31, 2019 because of the March and April 2020 private placements offset by the Company incurring general operational costs in the regular course of business in addition to completing its 2020 work programs.

The Company manages its working capital through conscientious controlling of spending on its properties and operations. Due to the on-going planned advancement of project milestones for the Van Dyke, Sombrero Butte and Mineral Mountain projects over the near term, Copper Fox intends to continue to incur expenditures without revenues and accumulate operating losses. As a result, the Company needs to obtain adequate financing to fund future exploration and development, including the potential construction of a mine, in order to reach profitable levels of operation. It is not possible to predict whether future financing efforts will be successful or whether financing on favourable terms will be available.

Copper Fox has no long-term debt or long-term liabilities, other than its decommissioning provision of $179,387, its Sombrero Butte option payments of $53,292 (US $40,000), its deferred tax liability of $967,258 and its lease liability of $125,100.

Cash Flow Highlights

	Year Ended	
	October 31, 2020	October 31, 2019
Cash and cash equivalents used in operating activities	$ (1,014,731)	$ (853,416)
Cash and cash equivalents used in investing activities	(682,329)	(1,038,960)
Cash and cash equivalents provided by financing activities	1,763,212	1,344,550
Increase in cash and cash equivalents for the year	66,152	(547,826)
Translation effect of foreign currency	51,274	(15,978)
Cash and cash equivalents balance, beginning of year	374,507	938,311
Cash and Cash Equivalents Balance, End of Year	**$ 491,933**	**$ 374,507**

Cash Flow for the Year Ended October 31, 2020

Operating Activities

Cash and cash equivalents used in operating activities in the current year was $1,014,731 compared to $853,416 in the prior comparable year. The increase is due to the increase in professional fees.

Investing Activities

Cash and cash equivalents used in investing activities in the current year was $682,329 compared to $1,038,960 in the prior comparable year. The decrease is due to the COVID-19 pandemic and the restrictions imposed, resulting in the Company not being able to complete its planned field projects.

Financing Activities

Cash and cash equivalents provided by financing activities in the current year was $1,763,212 compared to $1,344,550 in the prior comparable year. The increase is a result of the March and April 2020 private placements being greater than the 2019 private placement. In addition, some warrants were exercised in 2020, where no warrants were exercised in 2019.

Capital Resources

As of October 31, 2020, and as of the date of this MD&A, the Company had $491,933 and $1,101,989 in cash respectively.

Commitments

Sombrero Butte

The Company is committed to pay the balance outstanding of one final yearly option payment totalling $53,292 (US $40,000) under the Sombrero Butte acquisition agreement to earn 100% interest in the property. The final payment of $53,292 (US $40,000) is due on October 15, 2021.

Schaft Creek Joint Venture

Teck holds a 75% interest and the Company holds a 25% interest in the SCJV, and Teck is the operator of the SCJV. Management of the SCJV is made up of two representatives from each of Teck and the Company with voting proportional to their equity interests.

Under the SCJV agreement, Teck is required to make three cash milestone payments to the Company: (i) $20 million upon entering into the agreement (received), (ii) $20 million upon a Production Decision approving mine construction, and (iii) $20 million upon completion of construction of mine facilities.

The SCJV agreement provides that Teck and the Company are each responsible for their pro-rata share of project costs in accordance with their interests, except that Teck is solely responsible for the first $60 million in pre-production costs. If pre-production costs exceed $60 million, the Company's pro rata share of such costs will be set off against the two remaining cash milestone payments (totaling $40 million) payable by Teck to the Company. If pre-production costs exhaust the two cash milestone payments, Teck will further assist the Company by providing loans, as necessary, without dilution to the Company's 25% joint venture interest.

Once a production decision has been made, Teck will make an irrevocable offer to the Company:

For the Year Ended October 31, 2020 (Expressed in Canadian Dollars)

(i) to use all reasonable commercial efforts to arrange project equity and debt financing for at least 60% of project capital costs or such portion as Teck determines is commercially available on reasonable terms at the relevant time, and
(ii) to fund by way of loans to the Company, the Company's pro rata share of project capital costs not covered by project debt financing, if requested by the Company, without dilution to the Company's 25% joint venture interest.

The Company must notify Teck within 60 days after Teck's offer as to whether it accepts Teck's offer or whether it will arrange for its own financing.

8. RELATED PARTY TRANSACTIONS

Copper Fox

During the year ended October 31, 2020, legal fees of $197,934 (October 31, 2019 - $52,405) were paid to Farris, Vaughan, Wills & Murphy LLP ("**Farris**"). As at October 31, 2020, included in accounts payable to Farris was $1,845 (October 31, 2019 - $Nil). One of the partners at Farris' is a member of Copper Fox's Board. As of October 31, 2020, included in accounts receivable to Copper Fox was $41,660 (October 31, 2019 - $39,660) due from District Copper.

Key Management Compensation

The remuneration of the CEO, CFO, directors, and those persons having authority and responsibility for planning, directing and controlling activities of the Company are as follows:

	October 31, 2019	October 31, 2020
Directors fees	$ 5,500	**$ 4,000**
Salaries and consulting fees	329,500	**339,500**
Total	**$ 335,000**	**$ 343,500**

9. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's financial instruments consist of cash and cash equivalents, amounts receivables, deposits, investments, accounts payables and accrued liabilities, and lease liabilities. The estimated fair value of cash and cash equivalents, amounts receivable, deposits and accounts payable approximate their carrying value due to the immediate or relatively short period to maturity. Investments are measured at fair value using Level 1 or Level 3 inputs. The fair value of lease liabilities are initially recorded at fair value and subsequently carried at amortized cost using rates comparable to market interest rates.

Determination of Fair Value

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy, based on the number of observable inputs used to value the instrument:

- *Level 1* – observable inputs such as quoted prices in active markets.

- *Level 2* – inputs, other than the quoted market prices in active markets, which are observable, either directly and or indirectly, and

- *Level 3* – unobservable inputs for the asset or liability in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The Company's direct investment in Liard is carried every year at fair value and is a Level 3 instrument.

The Company's activities expose it to a variety of financial risks, which arise because of its exploration, development, production, and financing activities. These include:

- Credit risk
- Market risk
- Liquidity risk

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from partners and tax authorities. The maximum exposure to credit risk at October 31, 2020 is $50,132 (October 31, 2019 - $47,909).

Market Risk

Market risk is the risk that changes in market conditions, such as commodity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the Company's return.

<u>Foreign Currency Exchange Rate Risk</u>

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate because of changes in foreign exchange rates. During the year ended October 31, 2020 the Company was involved with preliminary exploration activities in the United States. As such, the Company is exposed to fluctuations in the United States dollar exchange rates compared to Canadian dollar exchange rates. A 5% strengthening or weakening of the US dollar would have significant impact on the total assets and the net losses of the Company.

Due to its US activities, the Company has an exposure to foreign currency exchange rates. The carrying values of US dollar denominated monetary assets and liabilities are subject to foreign exchange risk.

As at October 31, 2020, the Company had $11,063 in US denominated cash balances.

<u>Interest Rate Risk</u>

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates.

As of October 31, 2020, the Company is exposed only on its cash balances.

Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate because of changes in commodity prices.

Commodity prices for minerals are impacted by the relationship between the Canadian dollar and United States dollar as well as the global economic events that dictate levels of supply and demand.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's financial liabilities consist of accounts payable and accruals. Accounts payable consists of invoices payable to trade suppliers for office, field operating activities and capital expenditures. The Company processes invoices within a normal payment period of approximately 30 days.

Accounts payable have contractual maturities of less than one year. The Company maintains and monitors a certain level of cash flow which is used to finance all operating and capital expenditures.

10. Capital Management

Capital Management

The Company considers its capital structure to consist of share capital, share options and warrants. The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management.

The mineral properties in which the Company currently has an interest in are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. Additional sources of funding, which may not be available on favourable terms, if at all, include share equity and debt financings; equity, debt or property level joint ventures; and sale of interests in existing assets. To carry out the planned exploration and development and pay for operating expenses, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended October 31, 2020. The Company is not subject to externally imposed capital requirements. The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments; all held within major Canadian financial institutions.

11. RISKS AND UNCERTANTIES

It is Indeterminable if Exploration Properties Will Result in Profitable Commercial Mining Operations

Mine development projects, specifically the Schaft Creek and Van Dyke projects, require significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and availability of adequate financing. The economic feasibility of development projects is based on many factors, including estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future metal prices, and anticipated capital and operating costs. The Schaft Creek and Van Dyke projects have no operating history upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of Proven and Probable Mineral Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic feasibility of a project. Unanticipated changes in grade and tons of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability and costs of labor, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in metals prices, foreign exchange rates, accidents, labor actions and force-majeure events. It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. The actual results for the Schaft Creek and Van Dyke projects could differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favorable than currently estimated, our business, results of operations, financial condition and liquidity could be materially adversely affected.

Joint Ventures

Copper Fox participates in a joint venture with Teck on the Schaft Creek project. There are risks associated with joint ventures, including:

- disagreement with a joint-venture partner about how to develop, operate or finance a project,
- a joint-venture partner not complying with a joint-venture agreement,
- possible litigation between joint-venture partners about joint-venture matters, and
- limited control over decisions related to a joint venture in which Copper Fox does not have a controlling interest.

Securing Additional Funding to Bring an Ore Body 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 exploration 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, as well as metal prices and the marketability of securities of speculative mineral exploration and development companies.

There is no assurance that the Company will be successful in obtaining the required financing.

Estimates of Mineral Reserves and Resources may not be Realized

The Mineral Reserves and Resources estimates contained in this MD&A are only estimates. No assurance can be given that any level of recovery of metals will be realized or that identified resources will ever qualify as a commercially mineable or viable deposit which can be legally and economically utilized. The Company relies on laboratory-based recovery models to project estimated ultimate recoveries by mineral type. Actual recoveries may exceed or fall short of projected laboratory test results. In addition, the grade of mineralization ultimately mined may differ from the one indicated by the drilling results and the difference may be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical, or engineering work, and work interruptions. Short term factors, such as the need for an orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of those operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in proven and probable reserves or resources, grades, waste-to-minerals ratios, or recovery rates may affect the economic viability of projects. The estimated Proven and Probable Mineral Reserves and Mineral Resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

The Company's Activities on its Properties are Subject to Environmental Regulations and Approvals

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.

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.

Share Price Risk

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company, including the market sentiment toward the resource sector and for all resource sector shares, the breadth of the public market for the stock, the need for certain Funds to sell shares for external reasons other than those relevant to the Company and the attractiveness of alternative investments. The effect of these and other factors on the market price of the common shares of the Company on the exchanges on which the common shares are listed suggests that the share price will be volatile.

12. PROPOSED TRANSACTIONS

On February 10, 2020, the Company entered into a property sales agreement with District Copper Corp., where District has agreed to sell to the Northern Fox, a wholly owned subsidiary of Copper Fox, all of its right, title and interest in and to 6 contiguous mineral claims covering approximately 15,956 hectares of lands located in the Liard Mining Division of northern British Columbia, historically referred to by District as the Eaglehead Property.

The sale is subject to the reservation a 0.5% net smelter return royalty for District on any future production. The consideration due and payable to District for the Eaglehead Property is the total sum of $1,200,000, plus the assumption by Northern Fox of the reclamation bonds in the amount of $212,000, which has been deposited by District with BCMEM and the BMO.

Under the terms of the agreement, Northern Fox has paid a non-refundable deposit of $50,000 upon signing the agreement. An additional $150,000 will be paid upon the closing of the agreement and the balance of the purchase price in the amount of $1,000,000 will be payable in three annual installments of $340,000, $330,000 and $330,000, respectively, on each anniversary of the closing date.

The transaction has received conditional TSX Venture Exchange approval. All paperwork requested by BCMEM has been submitted. The amount of time required by the BCMEM to process the permit transfer is unknown at this time.

For the Year Ended October 31, 2020 (Expressed in Canadian Dollars)

13. DISCLOSURE OF OUTSTANDING SHARE CAPITAL DATA

Authorized

Authorized share capital consists of an unlimited number of common shares and an unlimited number of first and second preferred shares, without par value, of which no preferred shares have been issued. As of the date of this MD&A, the issued and outstanding shares are as follows:

	Number of Shares	Amount
Opening Balance, November 1, 2019	461,274,160	$ 78,835,530
Additions		
March 26, 2020 private placement	24,699,002	1,481,940
March 26, 2020 warrants granted	-	(638,816)
April 27, 2020 private placement	4,021,667	241,300
April 27, 2020 warrants granted	-	(117,205)
October 30, 2020 warrants exercised	1,015,000	91,350
Shares issuance costs – Legal fees	-	(21,700)
November 2020 – January 2021 warrants exercised	7,387,667	1,038,370
Balance, January 28, 2021	**498,397,496**	**$ 80,910,769**

	Number of Shares	Amount
Opening Balance, November 1, 2018	448,980,160	$ 77,613,179
Additions		
February 25, 2019 warrants exercised	120,000	14,400
April 29, 2019 private placement	12,174,000	1,339,140
April 29, 2019 warrants granted	-	(122,199)
Shares issuance costs – Legal fees	-	(8,990)
Balance, October 31, 2019	**461,274,160**	**$ 78,835,530**

During the year ended October 31, 2020, the Company incurred the following shares issuances:

On March 26, 2020, the Company closed the first tranche of a non-brokered private placement, raising aggregate gross proceeds of $1,481,940 through the sale of 24,699,002 units at a price of $0.06 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share for an exercise price of $0.09 during the 36-month period after the closing of the offering and $0.12 during the 12-month period thereafter. If the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above $0.15, the expiry date of the warrants will be accelerated to a date that is 30 days after the first date such threshold is met. Shares issuance costs, in the form of legal fees, of $21,700 were paid in connection with this private placement.

On April 27, 2020, the Company closed the second tranche of a non-brokered private placement, raising aggregate gross proceeds of $241,300 through the sale of 4,021,667 units at a price of $0.06 per unit.

For the Year Ended October 31, 2020 (Expressed in Canadian Dollars)

Each unit consists of one common share of the Company and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share for an exercise price of $0.09 during the 36-month period after the closing of the offering and $0.12 during the 12-month period thereafter. If the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above $0.15, the expiry date of the warrants will be accelerated to a date that is 30 days after the first date such threshold is met.

During the prior year ended October 31, 2019, the Company incurred the following shares issuances:

On April 29, 2019, the Company closed a non-brokered private placement, raising aggregate gross proceeds of $1,339,140 through the sale of 12,174,000 units at a price of $0.11 per unit. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share for an exercise price of $0.13 during the first 12-month period after the closing of the offering and $0.15 during the second 12-month period after the closing of the offering. If the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above $0.20, the expiry date of the warrants will be accelerated to a date that is 30 days after the first date such threshold is met. Shares issuance costs, in the form of legal fees, of $8,990 were paid in connection with this private placement.

Warrants

As of the date of this MD&A, the warrants outstanding are as follows:

	Number of Warrants	Amount
Opening Balance, November 1, 2019	30,636,665	$ **1,541,073**
Additions		
March 26, 2020 warrants granted	24,699,002	**638,816**
April 27, 2020 warrants granted	4,021,667	**117,205**
June 14, 2018, June 30 and July 27, 2020 warrants extended	-	**682,819**
October 30, 2020 warrants exercised	(1,015,000)	-
November 2020 – January 2021 warrants exercised	(7,387,667)	-
Balance, January 28, 2021	**50,954,667**	**$ 2,979,913**

	Number of Warrants	Amount
Opening Balance, November 1, 2018	25,919,665	$ **1,238,412**
Additions		
February 25, 2019 warrants exercised	(120,000)	-
April 29, 2019 warrants granted	6,087,000	**122,199**
June 9, 2019 warrants expired	(1,250,000)	-
June 30 and July 27, 2019 warrants extended	-	**180,462**
Balance, October 31, 2019	**30,636,665**	**$ 1,541,073**

The value of the March 26, 2020 warrants granted of $638,816 were calculated using Black Sholes with an exercise price of $0.09 in the first three years and $0.12 in the fourth year, an expected life of four years, a volatility rate of 70.90% and a risk-free rate of 0.73%.

For the Year Ended October 31, 2020 (Expressed in Canadian Dollars)

The value of the April 27, 2020 warrants granted of $117,205 were calculated using Black Sholes with an exercise price of $0.09 in the first three years and $0.12 in the fourth year, an expected life of four years, a volatility rate of 63.95% and a risk-free rate of 0.42%.

Management decided to extend the June 14, 2018 warrants by one year. The value of the June 14, 2018 warrant extensions were calculated using Black Sholes with an exercise price of $0.15, an expected life of one year, a volatility rate of 86.12% and a risk-free rate of 0.26%. The fair value incremental change of $122,987 was recognized.

Management decided to extend the June 30, 2020 warrants by one year. The value of the June 30, 2020 warrant extensions were calculated using Black Sholes with an exercise price of $0.17, an expected life of one year, a volatility rate of 84.69% and a risk-free rate of 0.25%. The fair value incremental change of $142,580 was recognized.

Management decided to extend the July 27, 2020 warrants by one year. The value of the July 27, 2020 warrant extensions were calculated using Black Sholes with an exercise price of $0.17, an expected life of one year, a volatility rate of 88.84% and a risk-free rate of 0.24%. The fair value incremental change of $417,252 was recognized.

The value of the April 29, 2019 warrants granted of $122,199 were calculated using Black Sholes with an exercise price of $0.13 in the first year and $0.15 in the second year, an expected life of two years, a volatility rate of 67.04% and a risk-free rate of 1.56%.

Management decided to extend the June 30, 2019 warrants by one year. The value of the June 30, 2019 warrant extensions were calculated using Black Sholes with an exercise price of $0.17, an expected life of one year, a volatility rate of 73.11% and a risk-free rate of 1.52%. The fair value incremental change of $75,945 was recognized.

Management decided to extend the July 27, 2019 warrants by one year. The value of the July 27, 2019 warrant extensions were calculated using Black Sholes with an exercise price of $0.17, an expected life of one year, a volatility rate of 73.86% and a risk-free rate of 1.54%. The fair value incremental change of $104,517 was recognized.

The breakdown of the warrants outstanding is as follows:

Number of Warrants Outstanding	Warrant Exercise Price	Warrants Exercisable as of October 31, 2020	Warrant Expiry Date
5,880,000	$ 0.15	5,880,000	June 14, 2021
9,503,000	0.17	9,503,000	June 30, 2021
9,166,665	0.17	9,166,665	July 27, 2021
6,087,000	0.13 – 0.15	6,087,000	April 29, 2021
23,884,002	0.09 – 0.12	23,884,002	March 26, 2024
3,821,667	0.09 – 0.12	3,821,667	April 27, 2024
58,342,334		**58,342,334**	

Stock Option Plan

The number of shares reserved for issuance under the Company's stock option plan is limited to 10% of the number of shares which are issued and outstanding on the date of a grant of options.

Under the plan, the Board of Directors determines the term of a stock option, the vesting period of the options and the option exercise price, which shall not be less than the closing price of the Company's share on the TSX:V immediately preceding the date of grant. The Compensation Committee determines and makes recommendations to the Board as to the recipients, nature and size of the share-based compensation awards in compliance with applicable securities law, stock exchange and other regulatory requirements.

As of October 31, 2020, the Company had no options outstanding and there was no stock option activity for the periods presented.

14. OFF-BALANCE SHEET ARRANGEMENTS

During the year ended October 31, 2020, the Company was not party to any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, revenues, expenses, liquidity, capital expenditures or capital resources of the Company.

15. CHANGES IN ACCOUNTING STANDARDS

The Company adopted a new accounting standard, IFRS 16 during the year ended October 31, 2020. New and revised accounting standards are described in Note 3, "*Changes in Accounting Policies, New Accounting Standards*", in the audited annual financial statements for the year ended October 31, 2020.

16. CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The Company bases its estimates and assumptions on current and various other factors it believes to be reasonable under the circumstances. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Exploration and Evaluation Expenditures

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized as exploration and evaluation assets and recorded as mineral properties. Exploration expenditure relates to the initial search for deposits with economic potential.

The recovery of the carrying amount of exploration and evaluation assets is dependent upon the future commercial success of the mineral properties or from proceeds of disposition. The amounts shown for exploration and evaluation assets represent costs incurred to date and are not intended to reflect present or future values.

Mining tax credits are recorded in the financial statements when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits. These non-repayable mining tax credits are earned in respect to exploration costs incurred in British Columbia, Canada and are recorded as a reduction of the related exploration and evaluation assets.

Each quarter, the Company assesses for impairment indicators in according with IFRS 6, and if any are found to exist, then the Company takes the appropriate action to determine if an impairment must be recorded.

The Company provides certain share subscribers with a flow-through component for tax incentives available on qualifying Canadian exploration expenditures. The increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. Any premium, being the excess of the proceeds over the market value of the common shares, is recorded as a liability. At the later of the renouncing and the incurrence of the expenditure, the Company de-recognizes the liability, and the premium amount is recognized as income in the statement of loss. The Company may be subject to a Part XII.6 tax on flow-through proceeds, renounced under the Look-Back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial liability until the flow-through money is fully renounced.

With reference to Copper Fox's Schaft Creek agreement with Teck, the Company does not record any expenditure made by Teck on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but re-designates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from Teck is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the Company as a gain on disposal.

Depreciation

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

Impairment

The carrying value of property and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is recognized in earnings. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets) ("CGUs") for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

Site Closure and Reclamation Provisions

The Company assesses its mineral property's rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development, and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Share-Based Payments

Management uses valuation techniques in measuring the fair value of share options granted. The fair value is determined using the Black Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the share options and share purchase warrants, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions could have a material impact on the Company's financial statements.

Contingencies

The assessment of contingencies involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Company and that may result in regulatory or government actions that may negatively impact the Company's business or operations, the Company and its legal counsel evaluate the perceived merits of the legal proceeding or un-asserted claim or action as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to disclose as a contingent liability or when assessing the impact on the carrying value of the Company's assets. Contingent assets are not recognized in the Company's financial statements.

17. APPROVAL

The Audit Committee of Copper Fox has reviewed and approved the disclosures contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it, and it is also available under our SEDAR profile at www.sedar.com.