



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

Quarterly Highlights

For the Three and Six Months Ended April 30, 2022

As of June 7, 2022

COPPER FOX METALS INC.

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1. OVERVIEW AND INTRODUCTORY COMMENT

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**” and on the OTCQX® Best Market (“**OTCQX**”) under the symbol “**CPF XF**”. 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, Canada.

Copper Fox recognizes environmental, social and governance (“**ESG**”) best practices as key components to responsible mineral exploration and development. The Company’s exploration programs are conducted to meet or exceed environmental regulations, while respecting the communities and environments in which we operate. Copper Fox strives to earn its social license with local and Indigenous communities by meeting with stakeholders, regulators, and other concerned parties before, and during, exploration work to understand traditional and cultural issues important to these communities. Copper Fox’s approach is based on transparency, open communication, inclusivity, and respect, to better enable social and economic benefit for communities as well as value for investors.

Copper Fox has a pipeline of high-quality operated and non-operated exploration and advanced staged porphyry and in-situ copper recovery (“**ISCR**”) projects in proven mining districts in North America providing the Company with the ability to increase value through exploration and advanced stage development studies. 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 project located in Miami, Arizona.

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 holds the US assets of the Company and Northern Fox holds the Eaglehead project and the investment in District Copper Corp. 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. Northern Fox holds the Eaglehead project located in northwestern British Columbia.

This management’s discussion and analysis (“**MD&A**”) should be read in conjunction with the Company’s unaudited interim condensed consolidated financial statements and the related notes for the three and six months ended April 30, 2022, and the Company’s audited consolidated financial statements for the year ended October 31, 2021, and the related notes thereto.

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.

All amounts expressed are in Canadian dollars unless otherwise stated. The MD&A is current as of June 7, 2022, and was reviewed, approved, and authorized for issue by the Company’s Board of Directors on the aforementioned date.

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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. MAJOR QUARTERLY OPERATING MILESTONES

During the quarter, the Schaft Creek Joint Venture advanced preparations for the proposed 5,000m drilling and metallurgical program and several desktop studies to identify gaps in the geotechnical data base in advance of commencing the 2022 field program. On Copper Fox operated projects, combined high resolution airborne magnetic and radiometric surveys were completed on the Mineral Mountain and Sombrero Butte projects. Incorporation of these survey results into the project data base is ongoing and will be used to determine the next steps to develop priority drilling targets on both projects. Preparations for the Eaglehead proposed 2,500m drilling and metallurgical program are nearing completion.

In preparation of the anticipated 2022 program on the Van Dyke project; Copper Fox introduced the project to the Environmental Protection Agency ("EPA"); Arizona Department of Environmental Quality ("ADEQ"); the town of Miami and other stakeholders in the Miami-Globe area. The purpose of these meetings was to introduce the results of the 2020 Preliminary Economic Assessment ("PEA") to these stakeholders and potential future plans to advance the project toward the preliminary feasibility stage. Preparation of the proposed program for the Van Dyke project is taking longer than expected primarily due to unforeseen delays encountered by our contractors in obtaining final costs and quotes from service providers. The delays are most likely due to the high level of activity in the mineral industry, a situation that is not expected to improve within the next few months. The excessive time incurred in obtaining information from service providers is expected to delay receipt of and reporting of exploration results.

During the next quarter, activities will focus on the drilling and metallurgical programs for the Schaft Creek and Eaglehead projects and ground verification of the results of the airborne surveys on the Mineral Mountain and Sombrero Butte projects. At Van Dyke, barring any unforeseen additional delays, receipt of the input recommendations and costs from the hydrogeological/process/resource contractors is expected. The initial focus of the 2022 Van Dyke program would be to complete archaeological/fauna/flora studies to establish a baseline for the project prior to commencing physical activities.

Schaft Creek Joint Venture ("SCJV")

On November 5, 2021, the Company filed on SEDAR the NI 43-101 technical report which included the results of a Preliminary Economic Assessment for the Schaft Creek project.

On March 7, 2022, the Company announced the analytical results for the four-hole 2021 metallurgical drilling program from the Schaft Creek Project. The drilling intersected a broad range of metal grades representative of the metal grade range for the Schaft Creek deposit, as well as several, long, near surface intervals of higher-grade copper and gold mineralization. All four drill holes ended in

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mineralization above the cut-off grade used in the updated resource estimation completed in early 2021. The drilling program was suspended earlier than expected due to the onset of winter weather conditions.

On March 10, 2022, the Company announced the 2022 program and budget for the Schaft Creek project. The main components of the program include, a proposed 5,000m drilling program, updating the permitting timeline with the current project configuration, environmental and climatological studies, and engagement with the Tahltan Nation. The 2022 program is estimated to cost \$6.6 million.

On April 19, 2022, the Company announced that the SCJV was preparing for the planned 5,000m summer drill program, including completing geotechnical analysis and updating the structural geology interpretation to inform the 2022 and 2023 geotechnical program scope to identify opportunities to further decrease the life of mine strip ratio and strengthen base case overall pit slope design criteria; completing rock geochemistry analysis to confirm the scope of the 2022 field program; finalizing metallurgical test work contract to process samples from the 2021 and 2022 drilling program; refining the 2022 environmental baseline data collection activities to reflect the updated project configuration and current regulatory requirements; and strengthening the company's 2022 engagement plan with the Tahltan Nation.

Van Dyke Project

On November 29, 2021, the Company provided an update on its Van Dyke ISCR project. Montgomery & Associates completed an order of magnitude (plus/minus 30%) estimate of the timeline, costs and data/surveys required to complete the hydrogeological portion of the pre-application and formal permitting process for the Van Dyke project.

On April 7, 2022, the Company announced that it retained Ausenco Engineering USA South Inc. and Hemmera, a subsidiary of Ausenco Engineering Canada Inc. ("Ausenco"), to provide process and hydrogeological services for the Van Dyke project. Ausenco completed the review of all hydrogeological data compiled to the end February 2022 and is working toward finalizing its recommended 2022 hydrogeological work program and budget. The Company also advised that the introductory meetings with the Arizona Department of Environmental Quality ("ADEQ") and the Environmental Protection Agency ("EPA") have been concluded and that the data requirements and timeline leading to preparation of a formal application to obtain an underground injection control permit ("UIC") and aquifer protection permit ("APP") for Class III wells have been established.

Sombrero Butte Project

On February 9, 2022, the Company provided its 2022 exploration plan for the Sombrero Butte project. A combined high resolution airborne magnetic and radiometric survey over the property and mapping of a Laramide age stock located on the south end of the project was planned. The magnetic data can be used to locate interpreted potassic altered, late-stage felsic stocks and identification of low Th/K anomalies due to an increase in potassium concentration related to potassic alteration phase of a porphyry system. It is expected that this approach would more precisely locate and estimate the depth to the top of the porphyry system within the currently defined 3,000m long chargeability target. The budget for the Sombrero Butte project is \$35,000.

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Mineral Mountain Project

On February 9, 2022, the Company provided its 2022 exploration plan for the Mineral Mountain project. Geochemical vectoring and mineralogical associations suggest that the main part of the porphyry system lies at an undetermined depth below surface. A combined high resolution airborne magnetic and radiometric survey was planned. The magnetic data can be used to locate interpreted late-stage buried felsic stocks with associated potassic alteration halos and identification of low Th/K anomalies due to an increase in potassium concentration related to potassic alteration phase of the porphyry system. The combination of magnetic and radiometric data should more precisely locate and estimate the depth to the top of a porphyry system within a 2,900m by 1,300m chargeability anomaly. In addition to the airborne magnetic survey, a property wide deep penetrating Induced Polarization ("IP") survey, to better define the chargeability and resistivity signatures associated with any late-stage intrusive stocks identified by the magnetic vector inversion ("MVI") study, is planned. Completion of the IP survey will be decided after receipt of the results of the airborne survey. The estimated cost of the 2022 airborne survey is \$45,000. The budget increases to \$220,000 if the IP survey is completed.

On May 25, 2022, the Company released results of the high-resolution airborne magnetic and radiometric survey on the Mineral Mountain project. The airborne data maps the geophysical characteristics related to the distribution and concentrations of magnetic minerals and radioactive elements within the project area. The magnetic and radiometric data provides a geophysical/geochemical framework to compliment the mapping lithology, structure, and alteration for the project. The survey identified a number of interpreted late-stage felsic stocks, but only three stocks located along the eastern/northern Laramide/Precambrian contact show a strong spatial correlation to the copper-molybdenum mineralization, chargeability anomaly and a well defined, strong Th/K anomaly.

Eaglehead Property

On November 10, 2021, the Company provided an update on the exploration activities completed during the 2021 field program on its Eaglehead property.

On January 6, 2022, the Company provided an update on its Eaglehead project that included the identification of several chemically distinct intrusive phases and extending the porphyry 'footprint' approximately 3km to the southeast to include the Far East zone. Highlights of the re-logging and sampling program include; four intervals of Cu-Mo-Au-Ag mineralization, from 70.26m to 160.32m in DDH-066, including a 12.56m interval that returned a weighted average of 0.473% Cu, 0.013% Mo, 0.119g/t Au and 7.53g/t Ag, and DDH-078 contained a 7.17m interval that returned a weighted average of 0.276% Cu, 0.003% Mo, 0.732g/t Au and 6.85 g/t Ag.

On January 20, 2022, the Company released an update on the geophysical modelling on its Eaglehead property. Highlights included, the MVI study identified five areas, interpreted to represent late-stage intrusive plugs with associated potassic (magnetite) alteration. Four of the interpreted late-stage intrusive plugs exhibit a strong spatial correlation to the Thibert fault system and exhibit a strong positive correlation to known areas of copper-molybdenum-gold-silver mineralization and copper-molybdenum in-soil geochemical anomalies. The compilation indicates the main portion of the porphyry could be to the north and at depth below the near surface mineralized zones.

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On February 1, 2022, the Company provided the results of the ORION Swath DCIP survey and the details of a mineral tenure exchange on its Eaglehead property. The ORION survey located an open ended, 2,500m by 1,200m, northerly dipping positive chargeability (greater than 10 mrad (milliradians)) on the northern flank of one of the intrusive centres identified by the MVI study. The chargeability anomaly underlies a large area of copper mineralization in outcrop/subcrop and coincident copper-molybdenum in-soil geochemical anomaly located north of the Pass-Camp zones.

On February 9, 2022, the Company provided its 2022 exploration plan for the Eaglehead property. The program is focussed on demonstrating continuity of the polymetallic porphyry mineralization in the 500m long gap between the East and Bornite zones. Four drill holes, spaced at 125m intervals, totalling 2,500m are planned to test the 500m long zone. Continuity of the mineralization between these zones would yield a mineralized zone exceeding 2,000m in strike length. Metallurgical testwork (lock-cycle testing, BWi and Ab) water quality and archeological surveys are also planned. The Notice of Work ("NoW") and application for the Archeological permit have been submitted for review and approval and completion of the 2022 work program is contingent on receipt of these permits and availability of service providers. The 2022 program has been budgeted at \$830,000.

On May 4, 2022, the Company announced that it retained Moose Mountain Technical Services to review all data for the Eaglehead project, including the proposed 2022 drilling program. The logistics planning for the 2022 field program is progressing and the drilling and archeological contracts have been executed. The Company also announced that the approval of the NoW filed with the B.C. Ministry of Mines is pending. The Company also noted that the first instalment on the promissory note (\$340,000), pursuant to the Eaglehead property acquisition agreement, was made on April 19, 2022.

Corporate Update

On April 1, 2022, the Company announced that it retained Proactive Investors North America Inc. to provide the Company with media and research services for an initial period of 13 months, subject to the terms of the services agreement.

The Company filed certain tax filings under the Voluntary Disclosure Program ("VDP") with the Canada Revenue Agency ("CRA"). It is estimated that the penalties and arrears interest could amount to approximately \$92,000, but by filing under the VDP, the CRA may waive up to \$79,000 in penalties and arrears interest. Accordingly, these penalties and arrears interest have been disclosed as a contingent liability, and not recognized as a liability or provision.

3. INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

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.

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Copper Fox has no long-term debt or long-term liabilities, other than its decommissioning provision of \$421,000, the long-term promissory note for the Eaglehead acquisition of \$303,826, its deferred tax liability of \$713,258 and its office lease liability of \$136,930.

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 Eaglehead, 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, 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.

Major expenditures are required to establish mineral reserves 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.

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.

Liquidity

As at April 30, 2022, Copper Fox had working capital of \$1,014,672 (October 31, 2021 – \$2,265,019). As at April 30, 2022, the Company's cash position was \$1,314,535 (October 31, 2021 - \$2,646,608). The working capital decreased during the six months ended April 30, 2022, compared to the year ended October 31, 2021, due to \$614,480 spent in operating activities, \$376,743 used in the mineral property expenditures, \$340,000 in promissory note payment and \$14,839 in office lease payments.

Operations

For the three months ended April 30, 2022, compared with the three months ended April 30, 2021:

For the three months ended April 30, 2022, the Company recorded a net loss of \$363,283 or \$0.00 per share compared to a net loss of \$343,255 or \$0.00 per share in the comparable prior period.

The Company's quarterly professional fees increased in Q2 2022 compared to Q2 2021 due to the Company recorded the fees paid to the CFO as professional fees in Q2 2022; while the fee paid to the former CFO in Q2 2021 was recorded as administration expense. The Company also incurred interest expense due to the promissory note of \$60,160 in Q2 2022 while no such interest expense was recorded in Q2 2021.

The Company did not record its share of loss of an associate in Q2 2022 compared to recording its share of loss of an associate of \$23,397 in Q2 2021 since the Company ceased having significant influence on District Copper effective November 1, 2021.

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For the six months ended April 30, 2022, compared with the six months ended April 30, 2021:

For the six months ended April 30, 2022, the Company recorded a net loss of \$612,002 or \$0.00 per share compared to a net loss of \$542,580 or \$0.00 per share in the comparable prior period.

The Company's quarterly professional fees increased during the six months ended April 30, 2022 compared to the same period in 2021 due to the Company recorded the fees paid to the CFO as professional fees in 2022; while the fee paid to the former CFO in 2021 was recorded as administration expense. The Company also incurred interest expense due to the promissory note of \$60,160 during the six months ended April 30, 2022 while no such interest expense was recorded in 2021.

The Company did not record its share of loss of an associate during the six months ended April 30, 2022 compared to recording its share of loss of an associate of \$53,910 during the same period in Q2 2021 since the Company ceased having significant influence on District Copper effective November 1, 2021.

4. COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

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 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:

- (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 at the Prime Rate plus 2%, 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.

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Office Lease

The Company has an office lease expiring on October 31, 2024, with a renewal clause until October 31, 2029.

5. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there was no significant transaction between related parties other than the normal course of business.

6. RISKS FACTORS

In our MD&A filed on SEDAR February 25, 2022 in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risk factors which we believe are the most significant risks faced by Copper Fox. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

7. DISCLOSURE OF OUTSTANDING SHARE CAPITAL DATA

The authorized share capital of the Company 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.

	Issued and Outstanding	
	April 30, 2022	June 7, 2022
Common shares outstanding	524,185,496	524,185,496
Warrants	25,116,667	25,116,667
Fully diluted common shares outstanding	549,302,163	549,302,163

Cautionary Statements

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking

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statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties, and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.