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

For the Year Ended October 31, 2023

As of February 7, 2024

TABLE OF CONTENTS

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 years ended October 31, 2023, and 2022, and the related notes thereto.

All the Company's material subsidiaries are wholly owned. As of October 31, 2023, the Company owned 15.63% 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.sedarplus.ca 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 4).

All amounts expressed are in Canadian dollars unless otherwise stated. The MD&A is current as of February 7, 2024, and was reviewed, approved, and authorized for issue by the Company's Board of Directors on that 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" and on the OTCQX® Best Market ("**OTCQX**") under the trading symbol "CPFXF". 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 100% owned Van Dyke copper project located in Miami, Arizona and the 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.

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.

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	Mark T. Brown, Chief Financial Officer
J. Michael Smith	J. Michael Smith, Corporate Secretary
Ernesto Echavarria	
Mark T. Brown	

Audit Committee	**Corporate Governance and Nominating Committee**	**Compensation Committee**
J. Michael Smith (Chairman)	Elmer B. Stewart	R. Hector MacKay-Dunn
R. Hector MacKay-Dunn	Mark T. Brown	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, 2023, HIGHLIGHTS AND SIGNIFICANT EVENTS

- On November 3, 2022, the Company retained Creative Capital Corp. to provide the Company investor relations services for an initial period of 12 months.
- On November 10, 2022, the Company provided an update as well as detailing plans for its Van Dyke project.
- On November 29, 2022, the Company provided an update on the Eaglehead project including receiving the Mines Act permit to conduct activities set out in the NOW files with the BC Ministry of Mines February 1, 2022.
- On January 18, 2023, the Company provided the analytical results for six (6) of the eleven (11) drillholes completed as part of the 2022 metallurgical drill program at the Schaft Creek project. The program expanded the coverage across the Schaft Creek deposit with a focus on the early part of the mine life, to better inform metal recoveries and comminution characteristics. A wide range of metal concentrations including several intervals of at surface high-grade mineralization intersected in the six drillholes**.**
- On February 21, 2023, the Company provided final analytical results for the 2022 metallurgical drill program at the Schaft Creek project. The 2022 metallurgical drill program completed 4,688 metres ('m') with the objective of collecting samples to complement historical metallurgical test work. The drill program expanded the metallurgical sampling coverage across the Schaft Creek project, with a focus on the early part of the mine life, to better inform metal recoveries and comminution characteristics. Eleven drillholes were completed across the project's mineralized zones: Liard (six holes), Paramount (three holes) and West Breccia (two holes).
- On March 2, 2023, the Company announced the 2023 Schaft Creek program to advance the project with focus on key areas including Safety, Geoscience and Engineering, Environmental, Communities, and Permitting. Planned expenditures in 2023 were $17.2 million for a 9,000-meters drill program focused on geotechnical data collection.
- On March 28, 2023, the Company's controlling shareholder, Ernesto Echavarria, exercised a total of 21,666,667 common share purchase warrants of the Company. As a result of the exercise of the warrants, together with prior acquisitions, Mr. Echavarria held an aggregate of 312,242,855 common shares of the Company, representing approximately 56.84% of the issued and outstanding shares.
- On March 30, 2023, the Company announced the 2023 exploration plans for Mineral Mountain copper project. The geophysical survey would employ Quantez's Orion 3-D Swath DCIP configuration.
- On April 6, 2023, the Company provided an update of recent activities and plans on its Van Dyke in situ copper recovery ("ISCR") project, proceeding with Phase I of a Hydrogeologic Monitoring and Testing Program.
- On April 19, 2023, the Company provided an update on the completed mapping program in advance of the planned geophysical survey for Mineral Mountain copper project.
- On May 11, 2023, the Company provided an update of the activities and plans on its Van Dyke ISCR project. The Company was proceeding with a drill hole rehabilitation and testing program.
- On June 1, 2023, the Company provided the results of continuing compilation of the acquired data in advance of the planned geophysical survey on Mineral Mountain project. The survey was expected to commence before the end of June subject to the arrival of the geophysical crew.
- On June 27, 2023, the Company announced that it had completed the planned hyperspectral survey over its Sombrero Butte project. Combining the hyperspectral data and previously collected trace

element geochemistry can be used to identify areas of alteration associated with breccia pipes, hydrothermal centers and/or styles of mineralization indicative of porphyry copper deposits not readily apparent at the outcrop level.

- On July 5, 2023, the Company appointed Lynn Ball as vice-president of corporate affairs. Her responsibilities include leading and executing a strategy to build long-term environmental and social stewardship policies, management of corporate reporting requirements and ESG communications.
- On July 13, 2023, the Company provided an update on project activities.
  - The 2023 geotechnical drilling program at Schaft Creek had commenced utilizing four diamond drills. In addition, metallurgical testwork of samples selected from the 2021 and 2022 drilling programs had been initiated.
  - The sample selection for the mineralogical, solubility, whole rock and trace element studies at Van Dyke had been completed. The samples obtain more specific data on the solubility of the secondary copper minerals within the proposed Phase 1 mine plan set out in the 2020 Preliminary Economic Assessment. It was expected that data from the solubility tests could allow the Company to better predict potential future copper production from the Van Dyke project.
  - Moose Mountain Technical Services had confirmed the database for the Eaglehead project was suitable for completion of an updated mineral resource estimate ("MRE") in accordance with National Instrument 43-101. The porphyry style mineralization at Eaglehead belonged to the "Plutonic" subtype of porphyry copper-molybdenum-gold-silver deposits in British Columbia. The database contained a total of 126 drillholes; 112 of these would be used in the model.
  - The geophysical survey at Mineral Mountain was underway and was being completed by Quantec Geosciences USA Inc using its ORION 3D Swath DCIP configuration to map at depth the geophysical signatures of the surface mineralization.
  - The preliminary results of the hyperspectral survey on the Sombrero Butte project were expected in August. An ongoing compilation of historical analytical data identified a previously unreported interval of porphyry style mineralization hosted in potassic altered Copper Creek granodiorite. Drillhole SB-03 was drilled to the northeast towards a positive chargeability body (target #1) located east of the area of historical copper mining. This drill hole included a previously unreported weighted average mineralized core interval (522.0 – 645.7 m) that returned 0.18% copper, traces of molybdenum and gold and 0.45 g/t silver. This mineralized interval was located outside the area of the mineralized magmatic breccia pipes and the metal assemblage supported proximity to a potential mineralized porphyry center.
- On August 8, 2023, the Company provided an update on project activities.
  - The 2023 Schaft Creek program was in progress, with the geotechnical drilling focused on collecting data to inform and improve the pit design and life-of-mine strip ratio, and to gain a better understanding of the hydrogeology of the area. A total of 1,882 m of drilling out of the planned 9,000-m program had been completed.
  - Environmental baseline data collection and community engagement programs were advancing as well at Schaft Creek.
  - The metallurgical testwork portion of the 2023 Schaft Creek program was progressing, with results expected by the end of November.
  - Work toward completion of the updated MRE at Eaglehead was progressing.
  - Survey results from the airborne hyperspectral alteration mapping survey on the Sombrero Butte project had been received and were being reviewed in conjunction with the project database.
  - At Mineral Mountain, the geophysical survey using the ORION 3-D Swath DCIP configuration had been completed. The 3-D modelling results of the survey were expected in September.

- The mineral solubility/mineralogical studies at the Van Dyke project had commenced.

- On August 30, 2023, the Company released the results of an updated MRE on its Eaglehead project. This MRE was a key milestone for Eaglehead as it was the first time an indicated mineral resource had been reported on the project. The Company was evaluating the MRE and planned to use these results to develop a program to continue testing the resource potential of the project.
- On September 8, 2023, the Company closed a non-brokered private placement, raising aggregate gross proceeds of $1,878,010 through the sale of 9,390,050 units ("Unit") at a price of $0.20 per Unit. Each Unit consisted 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 a two-year term, for an exercise price of $0.25 during the first 12-month period after the closing of the offering and $0.30 during the subsequent 12-month period after the closing of the offering. In the event that the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above $0.30 in the first 12-month period after the closing of the offering, or $0.35 during the subsequent 12-month period, the expiry date of the warrants will be accelerated to any date or dates, as the case maybe, that is 30 days after the first date such threshold is met.
- On September 20, 2023, the Company provided an update on activities at the Schaft Creek. The 2023 geotechnical drilling program was focused on collecting data to inform and optimize the pit design, life of mine strip ratio, and to gain a better understanding of the pit slope hydrogeology. A total of 3,062 m had been drilled to date with four complete holes and four holes in progress.
- On October 12, 2023, the Company filed on SEDAR+ a National Instrument 43-101 technical report regarding the results of an updated mineral resource estimate for the Eaglehead project announced on August 30, 2023.

<u>Subsequent to the Year Ended:</u>

- On November 15, 2023, the Company provided an update on results of the mineral solubility testwork and commencement of a geotechnical study of the Gila conglomerate on Van Dyke ISCR project.
- On November 22, 2023, the Company released the results of the deep-penetrating geophysical survey utilizing Quantec's ORION 3-D Swath DCIP (direct current induced polarization) configuration on Mineral Mountain project.
- On December 12, 2023, the Company released the results of the mineralogical study conducted in conjunction with the solubility testwork on the Van Dyke ISCR project.
- On December 27, 2023, the Company provide an overview of corporate and project activities. The overview included financing completed during the year, management appointments, incorporation of a new wholly owned subsidiary Desert Fox Mineral Mountain Co., to hold its interest in the Mineral Mountain project, and the termination of the investor relations contract with Creative Capital. The overview also included comments on the exploration activities completed on the Schaft Creek, Van Dyke, Eaglehead, Mineral Mountain, and Sombrero Butte projects.
- On January 23, 2024, the Company provide an update on the geotechnical drilling (ten holes totalling 3,288 m) completed at Schaft Creek in 2023, including analytical results for five geotechnical drillholes that intersected significant intervals of porphyry style mineralization. Eight of the ten geotechnical drillholes were completed along the east side of the Paramount zone referred to as the 'highwall'. Significant intervals of porphyry style mineralization included DDH SCK-23-468 that intersected:
  - From 295.10 to 461.50 m; a core interval of 166.40 m that averaged 0.308% copper, 0.019% molybdenum, 0.117 g/t gold and 0.82 g/t silver that included a 33.68 m interval (427.82 to

461.50 m) that averaged 0.602% copper, 0.033% molybdenum, 0.228 g/t gold and 1.28 g/t silver, and
  - From 481.80 to 687.94 m a core interval of 206.14 m that averaged 0.494% copper, 0.029% molybdenum, 0.282 g/t gold and 1.79 g/t silver that included a 90.70 m core interval (481.80 to 572.50 m) that averaged 0.710% copper, 0.042% molybdenum, 0.305 g/t gold and 2.09 g/t silver.
- On February 6, 2024, the Company provided an update on the activities and hyperspectral survey completed at Sombrero Butte. The hyperspectral survey suggests that the phyllic and argillic alteration signatures are more widespread than previously known. The anomalous areas correlate with airborne magnetic and radiometric anomalies indicative of porphyry copper systems. Relogging of drill core from two historical drillholes was completed along with sampling for petrographic study and whole rock geochemical analyses.

4. PROPERTY SUMMARY

Industry Overview

The copper market experienced significant price volatility throughout 2023. After reaching a high in January, copper prices declined thereafter to US$3.55/lb in May and is currently trading in the US$3.70-3.90/lb range. The volatility in copper prices experienced throughout 2023 is thought to reflect the uncertainty in global copper demand related to the much-discussed possibility of a "soft" or "hard" landing related to a slow down/recession in the global economy. Clearly, with a forecasted weaker global economic growth, refined copper demand is expected to decrease in 2024, despite significant increased copper demand forecasts as the world continues to transition to a lower carbon economy and increase usage of "green" technologies.

The International Copper Study Group's most recent forecast (October 2023) for the refined copper market to the end of 2023, is expected to show a deficit of approximately 27,000 t and a 467,000 t surplus in 2024. These estimates do not take into account supply disruption such as the recent closure of Cobre Panama, a mine capable of producing 300,000 t of copper per annum.

Unforeseen developments, social unrest, operational and geotechnical issues, adverse weather conditions are some of the issues that could disrupt copper supply thereby impacting copper supply forecasts. With global policies continuing to focus on green initiatives, sustainable energy generation and transmission, the demand for copper, a major component in these initiatives, is expected to increase significantly. The expected future growth in copper supply to meet demand forecasts is not without challenges; the recent social unrest and geopolitical disputes in several copper producing countries in Central and South America is expected to continue to disrupt the global copper supply chain. Operational factors impacting global copper supply include declining head grades, water issues, and a low inventory of large, advanced stage copper projects in the exploration and development pipeline.

Corporate Overview

During 2023, the Company achieved positive results on its operated projects; most notably the completion of a Mineral Resource Estimate on its Eaglehead project. On an annual basis, the Company completes a "stage gate" approach to review the results of each exploration program to determine the exploration activities and estimated costs required to advance the projects to the next stage. In 2024, the Company plans include: completion of the drillhole rehabilitation program and the geotechnical study on the Van Dyke project, a four-hole (2,500 m) drilling program at the Eaglehead project, an initial drill test of the Mineral Mountain project and mapping and prospecting on the Sombrero Butte project, possibly leading to completion of a deep penetrating geophysical survey. Budgets and programs for 2024 have not been finalized nor approved by the board.

At Schaft Creek, the SCJV advanced the Schaft Creek project by completing a ten hole (3,288 m) geotechnical drilling program within the "highwall" portion of the Paramount zone, initiated a comprehensive metallurgical study, completed wildlife, aquatic and archeological studies and changed from quarterly to monthly the hydrogeological and water sampling program. As per the SCJV agreement, Teck have until the end of February to provide the annual budget and program for the Schaft Creek project. The 2024 program and budget for the Schaft Creek project has not been received from Teck.

Environment, Social and Governance ("ESG")

The Company is committed to operating as good stewards of the environment to ensure future generations enjoy the project areas as those before them have. The Company engages with the local communities and stakeholders in the early stage of a project to discuss issues important to these communities gain local knowledge and participate preserving the local cultures and customs. The board maintains robust corporate governance practices to ensure shareholders, employees, regulatory agencies, and other stakeholders will have confidence and trust in the Company.

Schaft Creek Joint Venture ("SCJV")

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 Tahltan Territory in northwestern British Columbia. 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 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. As of October 31, 2023, Teck had funded approximately $47 million towards the Schaft Creek project since mid-2013.

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%). The Joint Venture Agreement allows Teck to recover Copper Fox share of capital costs from 90% of Free Cash Flow, with the remaining 10% of free cash flow split 75:25 by Teck and Copper Fox.

The 2023, C$17.2 million budget for the Schaft Creek project is the largest and most comprehensive program completed to date since inception of the SCJV. The 2023 program was designed to advance key project activities including the collection of geotechnical, metallurgical, engineering, and environmental data and community engagement. The geotechnical program collected geotechnical, downhole geophysical, structural, and hydrogeological data to be used to generate deposit scale hydrogeological and slope stability models to improve the pit design, life of mine strip ratio, and hydrogeological model of the proposed mine site. The metallurgical portion of the program was designed to better inform metal recoveries, process, comminution, concentrate quality and tailings characterization. In addition, environmental, archeological, wildlife, and ecosystem field studies and social baseline work were completed. in 2023.

The geotechnical program consisted of ten drillholes (totaling 3,288 m), eight of which were completed along the highwall portion of the Paramount zone, provides a substantial amount of geotechnical data at eight additional locations to better understand the geotechnical parameters of the pit slope in this portion of the Schaft Creek deposit. The drilling intersected from surface to a core depth of 180 m, a zone of intensely fractured and broken rock. In addition to the geotechnical data collection, down hole geophysical surveys and packer tests and installation of Vibrating Wire Piezometers for hydrogeological testing purposes were completed in five of the eight geotechnical drillholes. The data collected by the geotechnical drilling is being used to complete a Pit Slope Stability study.

Five of the eight geotechnical drillholes completed in the Paramount zone intersected significant intervals of porphyry style copper-molybdenum-gold-silver mineralization including DDH SCK-23-468, that intersected:

- a core interval of 166.40 m (from 295.10 to 461.50 m) that averaged 0.308% copper, 0.019% molybdenum, 0.117 g/t gold and 0.82 g/t silver that included a 33.68 m interval (427.82 to 461.50 m) that averaged 0.602% copper, 0.033% molybdenum, 0.228 g/t gold and 1.28 g/t silver, and
- a core interval of 206.14 m (from 481.80 to 687.94 m) that averaged 0.494% copper, 0.029% molybdenum, 0.282 g/t gold and 1.79 g/t silver that included a 90.70 m core interval (481.80 to 572.50 m) that averaged 0.710% copper, 0.042% molybdenum, 0.305 g/t gold and 2.09 g/t silver.

The objective of the metallurgical program is to increase metal recoveries and inform possible changes to the current design of the process facilities. The testwork consists of a more in-depth investigation of parameters such as metal recoveries, process, comminution, concentrate quality and tailings characterization on 76 samples (selected from the 2021-2022 drill core) representative of the geometallurgical domains within the Schaft Creek deposit. The 2021-2022 metallurgical drill programs expanded the metallurgical sampling coverage across the Schaft Creek deposit, with a focus on the early part of the mine life. As of the date of this MD&A, the metallurgical testwork program is ongoing. Preliminary results of the testwork will be announced when received.

The 2023 program also included several other significant changes including increasing the hydrogeological and water sampling from quarterly to monthly, a significant step in collection of baseline data should the project proceed to the permitting stage. Wildlife and ecosystem studies were conducted in areas upstream and downstream of the Schaft Creek project and archaeological investigations focused in the area surrounding the Schaft Creek deposit in conjunction/consultation with the Tahltan Nation. The SCJV is committed to reduction of its carbon "footprint" at Schaft Creek. The installation of several solar panel arrays was completed toward the end of the 2023 season and this facility is expected to significantly reduce the carbon footprint associated with operating the camp and associated facilities. Energy contribution from the solar facility is expected to commence at the start of the 2024 field season.

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.

Following the recommendations and potential economic enhancements set out in the 2020 Preliminary Economic Assessment; the Company is advancing the Van Dyke project toward completion of a Preliminary Feasibility Study. In advance of implementing field operations, discussions with the two lead regulatory bodies being the United States Environmental Protection Agency ("EPA") and Arizona Department of Environmental Quality ("ADEQ") to determine the data requirements to obtain an underground injection control permit ("UIC") and aquifer protection permit ("APP") for Class III injection wells were held.

The Company's 2023 program progressed the Hydrogeologic Monitoring and Testing Program and initiated a program to further investigate the geotechnical properties of the Gila conglomerate. The Company also completed mineralogical, solubility, whole rock and trace element studies in order to obtain more specific data on the level of oxidization and the solubility and leaching rate of the secondary copper minerals within the proposed Phase I mine plan set out in the 2020 Preliminary Economic Assessment.

Development of the Van Dyke deposit contemplates in-situ leaching, whereby a weak acid bearing solution is injected into the deposit via injection wells to dissolve soluble copper minerals and recovery of the copper bearing solutions using a series of recovery wells. Understanding the chemical and mineralogical changes that occur from the initial injection of the leaching solution until recovery of the copper bearing leaching solution (referred to as the PLS) is a fundamental aspect of ISCR projects. Of importance is the chemical interaction of the leaching solution with the host rocks and gangue mineralogy of the mineralized veins/fractures to determine solubility and leaching rates of the copper minerals, acid consumption, generation of carbon dioxide gas, the potential to precipitate gypsum and the iron species (ferrous/ferric); all or any of which could have significant impact on projected copper production.

The Van Dyke copper deposit consists of three distinctive mineralogical zones. The 2023 mineralogical/ solubility testwork focused on the Oxide and Transitional zones to determine degree of oxidization and the solubility of copper minerals. The soluble copper minerals in the upper Oxide zone consist of malachite, azurite, chrysocolla and cuprite all of which are soluble in weak acidic bearing solutions. The Transition zone underlies the Oxide zone and consists of a mixture of primarily chalcocite (low solubility) with lesser amounts malachite, chrysocolla and azurite. The Transitional zone is underlain by the primary Sulphide zone consisting primarily of chalcopyrite with lesser concentrations of chalcocite and bornite which are not soluble in a weak acid bearing solution.

The mineral solubility/mineralogical testwork yielded positive characteristics of the Van Dyke deposit:

- a high degree of oxidization and a rapid rate of dissolution of the copper species throughout the proposed Phase I mine plan,
- the low carbonate content in the Oxide and Transitional mineralogical zones significantly mitigate the potential to generate carbon dioxide gas and the precipitation of gypsum during the leaching process, and
- the host rock and gangue mineralogy of the mineralized veins are low acid consuming minerals as well as the ferric iron content of the vein and host rocks.

The results of these studies mitigate several critical operating issues and provided information on mineral solubility and leaching rates that would impact projected copper production and provide increased certainty on these operating parameters going forward.

The development of the Van Dyke copper project contemplates access by way of a decline to a depth of approximately 30-40 m above the Gila Conglomerate/leach cap contact and advancing an underground ramp in the Gila Conglomerate overlying the Van Dyke deposit. The geotechnical work is focused on collecting additional data to better characterize the geotechnical strength of the Gila Conglomerate to support an updated plan for the decline to access the Van Dyke deposit. Call & Nicholas Inc. has been retained to complete the geotechnical study, review historical downhole geophysical logs and a data gap evaluation of all available geotechnical and hydrogeological data to determine if additional data is needed to support a PFS level study.

Eaglehead Property

The Company through its wholly owned subsidiary Northern Fox Copper Inc**.** ("Northern Fox") completed the purchase of a 100% of the Eaglehead Project located in the Liard Mining Division in northwest British Columbia; approximately 52 km east of Dease Lake. The aggregate consideration to be paid by Northern Fox for the Eaglehead Property is $1,412,000, of which $200,000 has been paid to District Copper and $212,000 to the BC Ministry of Mines for the reclamation bond for the property. On reclamation of the project in compliance with provincial standards, the $212,000 would be returned to Northern Fox. The remaining $1 million will be paid to District Copper in three annual instalments of $340,000 (paid), $330,000 (paid), and $330,000, respectively, on each anniversary of the April 19, 2021, closing. The first and second installments have been paid and the final installment is due in April 2024. In addition to the District Copper NSR, certain claims under the Eaglehead project are subject to NSRs and a net milling returns royalty (the "Royalties"). Individually, the Royalties range from 2% to 2.5%. The Company has the right to purchase 1% to 1.5% of each of the Royalties for purchase prices ranging from $1,000,000 to $2,000,000.

The Eaglehead project (15,712.9 ha) is an advanced stage exploration project that covers an intrusion hosted calc-alkalic polymetallic (Cu-Mo-Au-Ag) porphyry system with four known, open-ended deposits located within a copper "footprint" measuring 8 km by 3 km hosted in the Late Triassic-early Jurassic multi-phase, Eaglehead granodioritic/dioritic intrusive stock. Two, under-explored open-ended zones of porphyry style mineralization have been located outside the identified copper "footprint".

During the current year, the Company focused on completion of a Mineral Resource Estimate ("MRE"). One of the underlying criteria to complete an MRE is meeting the requirement of: "reasonable expectation of economic extraction". The MRE is contained in a Technical Report prepared in accordance with National Instrument 43-101 entitled "NI 43-101 Mineral Resource Estimate of the Eaglehead Project" with an Effective Date: August 21, 2023, prepared by Moose Mountain Technical Services, with Sue Bird, P.Eng. as Qualified Person. The Technical Report was filed on SEDAR+ on October 12, 2023. Highlights of the pit constrained MRE are as follows:

- Indicated mineral resource of 70.8 Mt with a weighted average grade of 0.22% Cu, 0.011% Mo, 0.061 g/t Au and 0.90 g/t Ag containing 345 Mlb Cu, 16.9 Mlb Mo, 139,600 oz Au and 2.15 Moz silver.
- Inferred mineral resource of 242.3 Mt with a weighted average grade of 0.19% Cu, 0.003% Mo, 0.043 g/t Au and 0.06 g/t Ag containing 1.03 Blb Cu, 18.7 Mlb Mo, 365,800 oz Au and 4.97 Moz Ag.
- The mineral resources are contained within four separate mineralized zones that occur over a strike length of approximately 4 kms.
- The four zones of porphyry style mineralization are open at depth, along strike and indicates potential to significantly expand the project resource base.

The mineralization at Eaglehead is similar to other "Plutonic" hosted porphyry copper deposits in British Columbia, (Highland Valley, Gibraltar) in terms of metals of economic interest, alteration, host rocks, average grades and recoverability. The open-ended nature of the mineralized zones outlined in the MRE indicates that only a portion of the chargeability signature hosting the mineralization has been drill tested and that significant potential exists to expand the mineralized envelope by diamond drilling. The distribution of the mineralization, alteration and the general increase in metal (copper-molybdenum-gold-silver) concentrations at depth strongly support the interpretation that the current level of exposure is the upper level, above the main portion of the porphyry system.

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. The 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. In October 2021, the Company made its final US$40,000 payment and now holds an undivided 100% interest in the Sombrero Butte property. 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).

Sombrero Butte is an exploration stage porphyry copper project located at the intersection of two regional scale copper trends. The project is located approximately 3 kms south of the Copper Creek porphyry copper deposit. The Copper Creek deposit and the Sombrero Butte project are underlain by the Copper Creek granodiorite, a Laramide age multi-phase intrusive through to be the causative intrusive for the Copper Creek porphyry copper deposit.

During the current year, the Company completed a hyperspectral survey collecting continuous Visual and Near-Infrared ("VNIR") and Short-Wave Infrared ("SWIR") data in order to map the extent of the advanced argillic alteration associated with the large chargeability target located in the centre of the project. The result of the survey suggests that the phyllic and argillic alteration signatures are more widespread than previously known, detected the known breccia pipes (including those exhibiting advanced argillic alteration) and identified a significant number of anomalies interpreted to represent breccia pipes, an indicator of a potential buried porphyry copper system. The hyperspectral data also exhibits a strong spatial correlation to previously identified magnetic and radiometric anomalies which are interpreted to represent alteration patterns associated with a porphyry copper system.

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 100 km 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 two Arizona mineral exploration permits and 260 BLM claims covering approximately 2,633.8 ha (6,508.2 acres).

The Mineral Mountain project covers a multi-phase, Laramide age stock (the Mineral Mountain stock) consisting primarily of porphyritic and non-porphyritic quartz monzonite and granodioritic phases. On the eastern side of the Mineral Mountain stock, a large area of gold enriched copper-molybdenum style porphyry mineralization has been outlined that exhibit characteristics of weathering/ oxidization/supergene enrichment, a process commonly observed at porphyry copper systems in Arizona. The porphyry mineralization is hosted in potassic and phyllic altered late stage intrusives and is interpreted to dip to the east and to the north under the PreCambrian rocks consistent with the interpretation of the recently defined chargeability signature.

In 2023, the Company completed a geophysical survey employing Quantec's Orion 3-D Swath DCIP configuration to more fully define the limits of the open-ended geophysical signature outlined in the 2021 geophysical survey and map the geophysical signature at depth of the copper "footprint" identified by previous mapping programs. A detail mapping program collecting lithology, alterations and mineralization data was completed in advance of the planned geophysical to develop a comprehensive exploration and mineralization model to better interpret the results of the geophysical survey.

The detailed mapping program and data compilation indicates a pyrite deficient, copper-magnetite mineral association for the gold enriched copper-molybdenum porphyry mineralization and many similarities to porphyry deposits in the Safford Mining District in Arizona.

The geophysical survey identified a near surface 1,200 m long by 900 m wide, low chargeability/higher resistivity anomaly similar to the geophysical response at other weather/oxidized porphyry deposits in Arizona. The near surface changeability/resistivity anomaly exhibits a strong spatial association to abundant quartz vein/veinlet/fracture hosted secondary copper (chrysocolla, malachite, chalcocite) and molybdenum mineralization in sericitic/potassic altered porphyritic quartz monzonite and granodiorite.

At a depth of approximately 250 m (possibly the depth of oxidization) the near surface chargeability/ resistivity signature merges into a larger northeast trending open-ended positive (>18mrad) chargeability/resistivity anomaly measuring approximately 3,200 m long by 1,200 m wide. The geophysical signature, geology, alteration, mineralization and geochemical data is consistent with the upper levels of a buried porphyry copper deposit.

In 2023 an additional 80 mineral claims (1,653 acres) and one Arizona exploration permit (610.5 acres) were added to the Project to cover the interpreted extension of the northeast trending open-ended positive chargeability/resistivity anomaly and a mineralized Laramide intrusive.

For the Year Ended October 31, 2023 (Expressed in Canadian Dollars)

The strong positive correlation between the various geoscientific data has identified a near surface drillable target measuring approximately 1,200 m long and 900 m wide.

5. SUMMARY OF OPERATIONAL RESULTS

Selected annual information is as follows:

	Year ended October 31, 2023	Year ended October 31, 2022	Year ended October 31, 2021
Total revenues	$ -	$ -	$ -
Operating expenses	1,114,512	1,350,966	1,115,228
Loss for the year	1,114,512	1,290,966	861,228
Loss per share	0.00	0.00	0.00
Total assets	83,914,801	81,003,595	81,396,242
Total long-term financial liabilities	1,187,667	1,527,985	1,857,744
Cash dividends declared - per share	N/A	N/A	N/A

The quarterly results are as follows:

	3 Months Ended October 31, 2023	3 Months Ended July 31, 2023	3 Months Ended April 30, 2023	3 Months Ended January 31, 2023
Loss before taxes	$ 232,117	$ 348,787	$ 254,018	$ 279,590
Net loss	232,117	348,787	254,018	279,590
Comprehensive (gain) / loss	(602,417)	870,509	(43,966)	563,026
Comprehensive loss per share, basic and diluted	0.00	0.00	0.00	0.00

	3 Months Ended October 31, 2022	3 Months Ended July 31, 2022	3 Months Ended April 30, 2022	3 Months Ended January 31, 2022
Loss before taxes	$ 461,137	$ 277,827	$ 363,283	$ 248,719
Net loss	401,137	277,827	363,283	248,719
Comprehensive (gain) / loss	(668,062)	832,007	(116,314)	140,436
Comprehensive loss per share, basic and diluted	0.00	0.00	0.00	0.00

Corporate Update

On November 3, 2022, the Company announced that it retained Creative Capital Corp. to provide the Company investor relations services for an initial period of 12 months to increase general market awareness of Copper Fox.

On March 28, 2023, the Company's controlling shareholder, Ernesto Echavarria, exercised a total of 21,666,667 common share purchase warrants of the Company. As a result of the exercise of the warrants, together with prior acquisitions, Mr. Echavarria held an aggregate of 312,242,855 common shares of the Company, representing approximately 56.84% of the issued and outstanding shares.

On July 5, 2023, the Company appointed Lynn Ball as vice-president of corporate affairs. Her responsibilities include leading and executing a strategy to build long-term environmental and social stewardship policies, management of corporate reporting requirements and ESG communications.

On September 8, 2023, the Company closed a non-brokered private placement, raising aggregate gross proceeds of $1,878,010 through the sale of 9,390,050 units ("Unit") at a price of $0.20 per Unit. Each Unit consisted 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 a two-year term, for an exercise price of $0.25 during the first 12-month period after the closing of the offering and $0.30 during the subsequent 12-month period after the closing of the offering. In the event that the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above $0.30 in the first 12-month period after the closing of the offering, or $0.35 during the subsequent 12-month period, the expiry date of the warrants will be accelerated to any date or dates, as the case maybe, that is 30 days after the first date such threshold is met.

The Company filed certain tax filings under the Voluntary Disclosure Program ("VDP") with the Canada Revenue Agency ("CRA") in fiscal 2022. It is estimated that the penalties and arrears interest would be insignificant. Accordingly, these penalties and arrears interest have been disclosed as a contingent liability, and not recognized as a liability or provision in fiscal 2022 and 2023. On November 10, 2023, the Company received notice from the Canadian Revenue Agency that the VDP had been accepted and that no penalties would be assessed.

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, 2023, for Copper Fox's "*Basis of Presentation and Significant Accounting Policies*".

<u>For the three months ended October 31, 2023, compared with the three months ended October 31, 2022:</u>

For the three months ended October 31, 2023, the Company recorded a net loss of $232,117 or $0.00 per share compared to a net loss of $401,137 or $0.00 per share in the comparable prior year.

During the three months ended October 31, 2022, the Company recorded a loss on derecognition of investment in associate of $333,839 while in the current period, no such amount was recorded due to the Company losing its significant influence over District Copper effective November 1, 2021, and had to derecognize the investment in associate during fiscal 2022 while no such item was required in fiscal 2023.

The Company recorded $nil deferred income tax recovery in Q4 2023 while recording $60,000 deferred income tax recovery in Q4 2022.

For the year ended October 31, 2023, compared with the year ended October 31, 2022:

For the year ended October 31, 2023, the Company recorded a net loss of $1,114,512 or $0.00 per share compared to a net loss of $1,290,966 or $0.00 per share in the comparable prior year.

During the year ended October 31, 2022, the Company recorded a loss on derecognition of investment in associate of $333,839 while in the current year, no such amount was recorded due to the Company losing its significant influence over District Copper effective November 1, 2021, and had to derecognize the investment in associate during fiscal 2022 while no such item was required in fiscal 2023.

The Company recorded $nil deferred income tax recovery in 2023 while recording $60,000 deferred income tax recovery in 2022.

7. LIQUIDITY AND CAPITAL RESOURCES

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.

Copper Fox has no long-term debt or long-term liabilities, other than its decommissioning provision of $421,000, its deferred tax liability of $653,258 and its office lease liability of $113,409.

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 and Working Capital

As of October 31, 2023, Copper Fox had working capital of $868,591 (October 31, 2022 – working capital deficiency of $177,540). As of October 31, 2023, the Company's cash position was $1,368,852 (October

31, 2022 - $132,192). The working capital increased during the year ended October 31, 2023, compared to the prior year ended October 31, 2022, due to $3,876,653 provided in net proceeds from issuance of shares, offset by the $999,507 spent in operating activities, $1,424,659 used in the mineral property expenditures, $16,858 spent on property and equipment, $330,000 spent in promissory note payment and $32,376 spent in office lease payments. The Company received $156,641 BCMETC refund for the Eaglehead project.

Commitments, Expected or Unexpected, or Uncertainties

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 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.

Office Lease

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

For the Year Ended October 31, 2023 (Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

Copper Fox

During the year ended October 31, 2023, legal fees of $122,227 (October 31, 2022 - $49,977) were paid to Farris LLP ("Farris"). As of October 31, 2023, included in accounts payable to Farris was $17,149 (October 31, 2022 - $13,272). One of the partners at Farris' is a member of Copper Fox's Board.

As of October 31, 2023, included in accounts payable to Pacific Opportunity Capital Ltd. ("POC") was $5,775 (October 31, 2022 - $5,250). The Chief Financial Officer of the Company is the president of POC.

As of October 31, 2023, included in trade and other receivables to Copper Fox was $nil (October 31, 2022 - $20,791) due from District Copper. As of October 31, 2023, the Company owes District Copper a promissory note of $330,000 to be paid in April 2024 (see "Property Summary - Eaglehead Project" section).

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 for the year are as follows:

	October 31, 2022	October 31, 2023
Directors fees included in Administration	$ 3,500	**$ 2,000**
Salaries and consulting fees included in Administration and Exploration and evaluation assets	367,000	**364,167**
Total	**$ 370,500**	**$ 366,167**

9. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, deposits, investment, trade and other payables, promissory note and office lease liability. 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. The Company's investment is measured at fair value using Level 3 inputs. The Company's investment consists of unlisted equity instruments. The determination of fair value by management was based on the most recent transaction of the underlying company. The Company performed a sensitivity analysis on the carrying value of its Level 3 asset and noted that a 20% decrease would result in $21,365 decrease in fair value. The fair values of office lease liability and promissory note 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 classifies 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, 2023, is $13,560 (October 31, 2022 - $42,066).

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.

Foreign Currency Exchange Rate Risk

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, 2023, 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, 2023, the Company had $66,689 in US denominated cash balances.

Interest Rate Risk

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

As of October 31, 2023, 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 trade and other payables, office lease liability (current portion) and promissory note (current portion). Trade and other payables consist 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. Office lease liability relates to the Company's office space in Calgary, Alberta. Lease payments are due on a monthly basis. The promissory note consists of annual payments with respect to the Company's Eaglehead project.

Trade and other payables 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

The Company considers its capital structure to consist of share capital 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, 2023. 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 UNCERTAINTIES

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 drillholes 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 for 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, Van Dyke and Eaglehead 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 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

None.

13. DISCLOSURE OF OUTSTANDING SHARE CAPITAL DATA

Authorized share capital

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.

For the Year Ended October 31, 2023 (Expressed in Canadian Dollars)

As of October 31, 2023, the issued and outstanding shares are as follows:

	Number of Shares	Amount
At October 31, 2022	524,545,496	$ **85,098,203**
Additions		
Warrants exercised	24,756,667	**2,228,100**
Private Placement	9,390,050	**1,878,010**
Share issuance cost	-	**(29,457)**
Warrants granted	-	**(385,426)**
At October 31, 2023	**558,692,213**	$ **88,789,430**

During the year ended October 31, 2023, the Company incurred the following shares issuances:

- On September 8, 2023, the Company closed a non-brokered private placement, raising aggregate gross proceeds of $1,878,010 through the sale of 9,390,050 units ("Unit") at a price of $0.20 per Unit. Each Unit consisted 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 a two-year term, for an exercise price of $0.25 during the first 12-month period after the closing of the offering and $0.30 during the subsequent 12-month period after the closing of the offering. In the event that the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above $0.30 in the first 12-month period after the closing of the offering, or $0.35 during the subsequent 12-month period, the expiry date of the warrants will be accelerated to any date or dates, as the case maybe, that is 30 days after the first date such threshold is met.
- 24,756,667 warrants were exercised for net proceeds of $2,228,100.

As of October 31, 2022, the issued and outstanding shares are as follows:

	Number of Shares	Amount
At October 31, 2021	524,185,496	$ **85,065,803**
Additions		
Warrants exercised	360,000	**32,400**
At October 31, 2022	**524,545,496**	$ **85,098,203**

During the year ended October 31, 2022, the Company incurred the following shares issuances:

- 360,000 warrants were exercised for proceeds of $32,400.

For the Year Ended October 31, 2023 (Expressed in Canadian Dollars)

Warrants

As of October 31, 2023, the warrants outstanding are as follows:

	Number of Warrants
At October 31, 2022	24,756,667
Additions, exercises or expiries:	
Warrants exercised	(24,756,667)
Warrants granted	4,695,025
At October 31, 2023	**4,695,025**

As of October 31, 2022, the warrants outstanding are as follows:

	Number of Warrants
At October 31, 2021	25,116,667
Additions, exercises or expiries:	
Warrants exercised	(360,000)
At October 31, 2022	**24,756,667**

The breakdown of the warrants outstanding is as follows:

Number of Warrants Outstanding	Warrant Exercise Price ($)	Warrants Exercisable as of October 31,2023	Warrant Expiry Date
4,695,025	0.25 - 0.30	4,695,025	September 8, 2025
4,695,025		**4,695,025**	

As of October 31, 2023, and the date of this MD&A, the issued and outstanding shares and warrants are as follows:

	Issued and Outstanding	
	October 31, 2023	February 07, 2024
Common shares outstanding	558,692,213	**558,692,213**
Warrants	4,695,025	**4,695,025**
Fully diluted common shares oustanding	**563,387,238**	**563,387,238**

14. OFF-BALANCE SHEET ARRANGEMENTS

During the year ended October 31, 2023, 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 has not adopted any new accounting standard during the year ended October 31, 2023. New and revised accounting standards are described in Note 3, "*Changes in Accounting Policies*", in the audited annual consolidated financial statements for the year ended October 31, 2023.

16. CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the consolidated financial statements, along with reported amounts of income and expenses during the period. Actual results may differ from these estimates, and as such, estimates and underlying assumptions and judgements are reviewed on an ongoing basis by management. Revisions are recognized in the period in which the estimates are revised and in any future periods so affected.

(i) <u>Significant Assumptions and Judgements in Applying Accounting Policies</u>

Critical judgements required in applying the Company's accounting policies that would have the most significant impact on the Company's consolidated financial statements include determination of control and significant influence, capitalization of exploration and evaluation costs and going concern.

a) <u>Capitalization of Exploration and Evaluation Costs</u>

The measurement and impairment of mineral properties are based on various judgments, including, but not limited to, the technical and commercial feasibility of these properties, which incorporates various assumptions for mineral reserves and/or resources, future mineral prices and operating and capital expenditures. The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which is based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. For example, if, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the period when the new information became available.

(ii) Key Sources of Estimation Uncertainty

Significant accounts that require estimates as the basis for determining the stated amounts included, but are not limited to, deferred tax liabilities.

a) Deferred Tax Liabilities

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss,

- In respect of taxable temporary differences associated with an investment in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the liability is settled, based on tax rates (and laws) that have been enacted or substantively enacted at the reporting date.

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.sedarplus.ca.