



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

For the Three Months Ended January 31, 2018 and January 31, 2017

As at March 29, 2018

COPPER FOX METALS INC.

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

For the Three Months Ended January 31, 2018 and January 31, 2017 (Expressed in Canadian Dollars)

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 consolidated financial statements for the quarter ended January 31, 2018 and the related notes thereto.

All of the Company's material subsidiaries are wholly owned except for Carmax Mining Corp. ("**Carmax**") (**TSX-V: CUX**), of which the Company owns 60.38% of the outstanding common shares as at January 31, 2018. The consolidated financial statements include 100% of the assets and liabilities related to Carmax and include a non-controlling interest representing 39.62% of Carmax's assets and liabilities not owned by the Company. Accounting policies are applied consistently throughout all consolidated entities.

Technical and corporate information contained in this MD&A has previously been disseminated by way of news releases and are filed on Sedar at www.sedar.com and on the Company's website at www.copperfoxmetals.com. The reader should be aware that historical results are not necessarily indicative of future performance (readers should refer to "**Forward Looking Statements**" on page 3).

All amounts expressed are in Canadian dollars unless otherwise stated. The MD&A is current as of March 29, 2018 and was reviewed, approved and authorized for issue by the Company's Audit Committee on behalf of the Company's Board of Directors on the aforementioned date.

Description of Business

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

Copper Fox's wholly-owned subsidiaries are Desert Fox Copper Inc. ("**Desert Fox**") and Northern Fox Copper Inc. ("**Northern Fox**"). Desert Fox has an office space in Miami, Arizona and holds the US assets of the Company and Northern Fox holds the investment in Carmax. 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, its 100% owned Van Dyke, Sombrero Butte and Mineral Mountain copper projects and the Eaglehead copper-molybdenum-gold project through its controlling interest in Carmax.

The Company established Desert Fox and Northern Fox in order to manage all future exploration and development activities, including any equity or working interest acquired in other mineral projects within North America. Desert Fox's wholly-owned subsidiaries; Van Dyke, Sombrero Butte and Mineral Mountain, all hold mineral tenures located in Pinal and Gila Counties, Arizona (which are all located in the Laramide age porphyry copper belt in Arizona). To date the Company has not earned revenues from any of these activities and these projects are still considered to be in the exploration and development stage.

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

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

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

Qualified Person

Mr. Elmer B. Stewart, MSc. P. Geol., President and CEO of the Company, is the qualified person as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") who has reviewed and approved all technical and scientific disclosure contained in this MD&A regarding the Company's mineral properties.

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.

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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 are not guarantees of 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 a number of 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, and readers are advised to consider such forward-looking statements in light of 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. THREE MONTHS ENDED JANUARY 31, 2018 HIGHLIGHTS AND SIGNIFICANT EVENTS

- On November 17, 2017, the Company was advised that Carmax Mining Corp. consolidated its share capital on the basis of one post consolidated common share for every two pre-consolidated common shares.

Subsequent to Period End

- On February 6, 2018, the Management Committee for the SCJV approved a \$0.8 million budget to complete among other activities; (i) desktop studies to investigate various scenarios in which to add value to the Schaft Creek project; (ii) collection of environmental data; and (iii) permitting and social activities. The work at the Schaft Creek project will be funded and managed by Teck, the Operator of the SCJV.

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- On February 12, 2018, the Company provided the results of the compilation of historical and current exploration data for its Eaglehead porphyry copper project. The compilation showed that in addition to the multiple zones of porphyry style mineralization located to date, two previously unexplored large, exploration targets were identified and that the mineralization has a similar age to other large porphyry copper deposits in British Columbia. The compilation concluded that based on the geophysical signature, several of the zones of mineralization could be connected and that a significantly larger portion of the Eaglehead intrusion has potential to host porphyry copper style mineralization than previously thought.
- On March 13, 2018, Bell Copper extinguished the outstanding Bell loan in its entirety. A total of \$187,829 was repaid to Copper Fox, which was the principle balance owing of \$168,000 plus interest of \$19,829.

On receipt of the full amount owing, Copper Fox released its security on the Kabba property to Bell.

- On March 22, 2018, Carmax announced their intention of making a non-brokered private placement of up to 18,750,000 units at a price of \$0.08 per unit for gross proceeds of \$1,500,000. Each unit consists of one share and one share purchase warrant which allows the holder to purchase one additional share of the Carmax's capital stock at a price of \$0.12 per share for each warrant held with the warrants expiring two years from the date of the closing of the private placement.

The warrants will have an early acceleration provision wherein the warrants will become exercisable on 21 days notice in the event the Company's shares trade at a price of \$0.25 per share or greater for a 30 day trading period after the four month hold period expires on the securities sold pursuant to the placement. A finder's fee of cash commissions of up to 6% of the gross proceeds raised may be paid to eligible finders.

- On March 27, 2018, Copper Fox announce that it had commence a trench sampling program on its 100% owned Mineral Mountain copper project in Arizona. The objective of the program was to determine the copper concentration and continuity of the copper mineralization observed in trenches located within the mineralized area outlined by surface sampling in 2016 (see news release dated February 8, 2017). The trenches were excavated in the 1970's.

4. PROPERTY SUMMARY

In 2017, the copper industry ended the year with a modest supply deficit. This deficit is expected to increase in 2018 due to a number of issues and increase significantly in 2019. The positive gains in metal prices over the past year has returned copper producers to positive cash flows and strengthened their balance sheets, with 2018 having a significantly more positive outlook than the last few years. The structural issues in the copper industry created over the past few years need to be addressed in order to meet the forecasted supply deficit. The lack of significant capital investment in new mines, increasing demand for copper from traditional and new sources, compounded by supply disruption and declining head grades are still some of the main issues facing the copper industry in 2018.

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Schaft Creek Project

In July 2013, Copper Fox and Teck created the SCJV to further explore and develop the Schaft Creek project. Copper Fox's primary asset is a 25% working interest in the SCJV. The SCJV holds two main assets: i) the Schaft Creek copper-gold-molybdenum-silver project located in northwestern British Columbia and ii) an 85.41% equity interest in Liard Copper Mines ("Liard"). Liard holds a 30% Net Proceeds Interest in the Schaft Creek project subject to certain terms and conditions. Teck is the operator of the SCJV.

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

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

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 in order to eliminate the two cash milestone payments payable to the Company through set-off, after which Teck would be obligated to fund the Company's pro-rata share of additional pre-production costs by way of loan to the Company (at prime plus 2%).

On January 23, 2013, Copper Fox filed a NI 43-101 Technical Report entitled "Feasibility Study on the Schaft Creek Project, BC Canada" prepared by Tetra Tech with A. Farah, P.Eng. et al. as Qualified Persons. The Feasibility Study proposed a 130,000 tonne per day ("TPD") flotation/open pit mine with Proven and Probable Reserves as follows:

Reserve Category	Tonnes (Mt)	Copper (%)	Molybdenum (%)	Gold (g/t)	Silver (g/t)
Proven	135.40	0.31	0.018	0.25	1.81
Probable	805.41	0.27	0.018	0.19	1.70

The Proven and Probable Reserve are deemed sufficient to support a 21 year mine life and contain 5.6 billion pounds of copper, 373.5 million pounds of molybdenum, 6.03 million ounces of gold, and 51.7 million ounces of silver. The Feasibility Study suggested annual production from the Schaft Creek project would be in the order of 230 million pounds of copper, 201,000 ounces gold, 1.2 million ounces silver and 10.2 million pounds of molybdenum.

The Feasibility Study also showed that the Schaft Creek deposit hosts a Measured and Indicated Resource of 1.2 billion tonnes, grading 0.26% copper, 0.017% molybdenum, 0.19 g/t gold and 1.69 g/t silver as well as a 597.2 million tonne Inferred Resource grading 0.22% copper, 0.016% molybdenum,

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0.17 g/t gold and 1.65 g/t silver. *The above stated Proven and Probable Reserves for the Schaft Creek project are included within the stated Measured and Indicated Resources.*

The Feasibility Study indicated that the NPV and the IRR for the Schaft Creek project were most sensitive to fluctuations in the Foreign Exchange (“**FOREX**”) between the Canadian and United States dollar and the price of copper. The Feasibility Study used a FOREX of \$1.00 US = \$0.97 CAD and a copper price of US \$3.25/lb.

Between 2013 and 2016, the SCJV reviewed a number of the major components of the 2013 feasibility study on the Schaft Creek project. These activities included a review of the existing data and the collection of additional geotechnical, metallurgical, baseline environmental and structural data. A limited amount of diamond drilling and surface exploration was performed and the social and cultural interaction with the Tahltan First Nation was assessed. The work accomplished by the SCJV in 2017 confirmed that there were no material changes to the 2012 resource estimate that was used in the 2013 feasibility study of the Schaft Creek project. In addition, the SCJV filed an application for a multi-year area based permit that included the drilling of up to 50 drill holes in 2017. As at the date of this MD&A the SCJV have not received comments from the Ministry of Mines for the province of British Columbia related to the application for the multi-year area based permit for the Schaft Creek project.

In Q1 2018, the SCJV confirmed that the 2013 Feasibility Study on the Schaft Creek project is current. The results from the 2017 work program, the current status of the 2013 feasibility study and inclusion in Teck's Project Satellite initiative demonstrate the advanced nature of the Schaft Creek project.

The 2018 work program is underway with the objective of evaluating a number of scenarios to identify value enhancing opportunities for the Schaft Creek project. In January 2018, the SCJV approved a budget and program estimated to cost approximately \$0.8 million. This work includes investigating the potential of a phased approach as an alternative to the approach adopted in the 2013 Feasibility Study. If upon completion of the desktop studies, the SCJV concludes that there is the potential to materially change project economics, the SCJV will assess the timing and scope of further studies and a NI 43-101 technical report if warranted.

Van Dyke Project

In 2012, Copper Fox acquired Bell Copper's interests in the Van Dyke copper project (“**Van Dyke**”) located in Miami, Arizona. Acquisition costs were CDN \$500,000 in cash to Bell Copper, \$1,499,400 (US \$1,500,000) to the Vendors (owners of the Van Dyke project) and assumption of continuing obligations in respect of the Van Dyke project, subject to certain amended terms and conditions. The Vendors retained a 2.5% Net Smelter Return (“**NSR**”) production royalty from the Van Dyke deposit.

Copper Fox, through its wholly owned subsidiary, owns a 100% working interest in the Van Dyke project located in the Globe-Miami Mining District in Arizona. The projects consists of 531.5 hectares (1,312.8 acres) of mineral rights and 5.75 hectares (14.02 acres) of surface rights.

Between 1968 and 1990 work completed on the Van Dyke deposit included an extensive exploration program, two successful in-situ leach (“**ISL**”) tests followed by two years of copper production utilizing the ISL method.

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Copper Fox's activities on the project since 2013 include collecting and cataloguing all available historical operating and copper production statistics, diamond drilling (PQ core diameter), In-Situ Copper Leaching Simulation Study (8 samples), environmental baseline studies, hydrology studies, fluid mechanics, scoping level engineering studies and a maiden mineral resource estimate pursuant to National Instrument 43-101 prepared by Moose Mountain Technical Services ("MMTS"). The NI 43-101 technical report disclosing the resource estimate was filed on SEDAR on February 2, 2015, Ms. Sue Bird – P. Eng., as the Qualified Person. The Inferred Resource (base case at 0.05% total copper cut-off) consists of 261.7 million tonnes grading 0.25%, containing 1.44 billion pounds of total copper. The modeling completed during the resource estimation suggests that the copper mineralization is open to the west and southwest.

In November 2015, Copper Fox completed a NI-43-101 technical report entitled "Preliminary Economic Assessment ("PEA") Technical Report for the Van Dyke Copper Project" dated November 18, 2015 (as amended May 2017). The report was prepared under the direction of MMTS, Mr. Jim Gray, P.Eng., et al. as the Qualified Persons. The PEA recommended a pre-feasibility study (estimated cost – US \$16.6 million) consisting of, among other activities, a 10,000m diamond drilling program to upgrade the inferred resource to a higher resource category and an eight hole pilot ISL test program to investigate; soluble copper recoveries and other geotechnical parameters of the Van Dyke oxide copper deposit.

The PEA on the Van Dyke project yielded an after-tax NPV of US \$149.5 million and IRR of 27.9% based on a long term copper price of US \$3.00/lb and an Inferred Resource of 183 million tonnes containing 1.33 billion pounds of copper at an average total copper grade of 0.33%. The effect of the 2018 reduction in the United States corporate tax rate from 35% to 21% has not been incorporated into the 2015 PEA for the Van Dyke project.

The results of the PEA are preliminary in nature as they include an Inferred Mineral Resource which is considered too speculative geologically to have the economic considerations that would enable them to be categorized as mineral reserves. There is no certainty that the PEA forecasts will be realized or that any of the resources will ever be upgraded to reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

In 2016, NV5 of Phoenix, Arizona completed a Data Gap Analysis to determine of the timing and estimated costs to obtain the main permits required for the proposed ISL pilot test program. In 2017, NV5 commenced the process to obtain a Class III; Underground Injection Control ("UIC") permit and an Aquifer Protection ("AP") permit which if acquired, is good for the life of the project. Modeling of the Pollution Management Area, the Discharge Impact Area, the Cone of Depression and Points of Compliance as well as the abandonment plans for the proposed test site had been completed to the draft stage when Copper Fox suspended the work on the permit applications pending the outcome of discussions to acquire surface access to the proposed ISL pilot scale test site (see news release dated September 21, 2017).

As at January 31, 2018, Copper Fox incurred \$9,343,771 (US \$7,609,191) in expenditures towards the Van Dyke project, primarily related to holding costs.

Due to the lack of progress on obtaining surface access to the site of the proposed ISL pilot test, Copper Fox at this time has no work planned for the Van Dyke project in 2018. Copper Fox will continue to review options available to it related to advancing the Van Dyke project, including seeking an Industry partner to fund and advance the project.

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Sombrero Butte Project

Sombrero Butte is an exploration stage project located in the Bunker Hill District, 44 miles northeast of Tucson, Arizona consisting of three Arizona exploration permits, 77 BLM claims and 3 patented mineral claims covering approximately 1,388.9 ha (3432.5 acres).

Copper Fox is required to make US \$40,000 annual option payments on certain mineral and patented claims held by an arms-length third party that are included within the Sombrero Butte project. On completion of these annual payments (US \$160,000 remains to be paid), Copper Fox will hold an undivided 100% working interest in the Sombrero Butte property. The option agreement is in good standing as long as the annual payments are made, with the next payment due by October 15, 2018.

The project is located in the Laramide Porphyry Copper Province in Arizona and contains two clusters of mineralized breccia pipes which elsewhere in the district are known to overlie buried porphyry copper deposits. Exploration to date has identified two large chargeability anomalies that are at the drill ready stage. No field work was completed on the project in 2017.

No work was completed on the project during the Q1 2018. Copper Fox is planning a surface mapping and sampling program to better define the surface alteration patterns related to the positive chargeability anomalies outlined in 2015. The work is to be completed on the Arizona permits at an estimated cost of approximately US \$25,000. This work is expected to be completed before the end of July 2018.

As at January 31, 2018, Copper Fox incurred \$1,857,569 (US \$1,510,981) in expenditures towards the Sombrero Butte project, which includes the exploration and acquisition costs.

Mineral Mountain Project

The Mineral Mountain project is an early stage exploration project in the Laramide Porphyry Copper Province of Arizona and is located on the same structural trend that hosts the Globe-Miami, Resolution, Florence and Casa Grande copper deposits. The property is 100% owned by Copper Fox and consists of one Arizona exploration permit (725 acres) and 181 BLM claims covering approximately 2,043 ha. The property is underlain by Precambrian age Pinal Schist, diabase and granite that has been intruded by Laramide age quartz monzonite, granodiorite and hornblende dacite dikes.

Field work completed in 2015 and 2016, resulted in the delineation of a zone of porphyry style mineralization that measures approximately 1,100m by 900m. The copper-molybdenum-gold mineralization is located within a (2.5km by 1.1km) zone of potassic and phyllic altered Laramide age Quartz Monzonite and Granodiorite. A significant number of samples from within the 2016 mineralized area returned between 1% and up to 6.6% copper due to the presence of chalcocite and covellite. The sampling suggests that the mineralized area is open in two directions.

No field work was completed on the Mineral Mountain project in 2017. During 2017, compilation of historical exploration results showed that a number of bulldozer trenches were completed along portions of the lines used to complete an Induced Polarization survey in 1970. The Induced polarization survey identified a positive chargeability anomaly coincident with the mineralized area outlined in 2016.

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Copper Fox's plans for 2018 include a two stage approach to advance the project to the drill ready stage. The first stage consists of re-sampling of the historical trenches to verify and demonstrate continuity and metal concentrations within the trenches. If positive analytical results are obtained from the trench sampling, stage two consists of a Quantec Titan-24 DCIP geophysical survey to verify and map the chargeability and resistivity signatures of the mineralized zone identified in 2016. Timing on completion of the geophysical survey is subject to the results of the trench re-sampling program and the availability of the Quantec Titan-24 system.

Eaglehead Project

Copper Fox, through its wholly owned subsidiary Northern Fox, owns 60.38% of the common shares of Carmax Mining Corp. Copper Fox's equity interest decreased on August 28, 2017 from 65.40% to 60.38% due to the Company not participating in a 4,250,000 shares private placement for Carmax. If Carmax completes the private placement as announced March 22, 2018, Copper Fox's equity interest in Carmax will decrease. The actual percentage of equity decrease can only be determined if and when Carmax closes its private placement. Carmax holds a 100% working interest in the Eaglehead copper-molybdenum-gold-silver property (13,540 ha) located in the Liard Mining Division, approximately 40 kilometers east of Dease Lake in northern British Columbia.

In July, 2017 Copper Fox completed a "Technical Report on the Eaglehead Project", with an Effective Date July 10, 2017 (the "**Report**") prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects*. The Report was prepared by MMTS, Mr. Robert Lane, MSc. P.Geo., as Qualified Person. The Report is filed on SEDAR and uploaded to the Company's website.

The highlights of the Report were detailed in a news release dated July 21, 2017. The Report outlined the details of the porphyry style mineralization on the Eaglehead project as well as the results of the metallurgical testwork completed in 2015 and 2016. The mineralization is categorized as hard and very hard with medium to abrasive indices. The locked cycle tests yielded a final copper-molybdenite bulk concentrate that assayed 29.6% Cu, 2.72% Mo, 28.2 g/t Au, and 175.9 g/t Ag with estimated metal recoveries of 89.9% copper, 71.1% molybdenite, 78.6% gold, and 78.1% silver. The copper-molybdenite concentrate contained very low concentrations of arsenic, selenium and tin.

No field work was completed on the Eaglehead project in 2017. In February 2018 Copper Fox announced the results of a compilation of historical and current exploration work on the Eaglehead project. This work identified two large target areas, neither of which have been explored and suggests that a significantly larger portion of the Eaglehead intrusion is prospective to host porphyry copper style mineralization than previously thought.

Copper Fox intends to work with Carmax to prepare a proposed 2018 exploration program and budget. Completion of an exploration program on the Eaglehead project in 2018 is contingent on funding. A Notice of Work ("**NOW**") has been filed with the government of British Columbia in anticipation of completing a 2018 exploration program. Details of the proposed 2018 exploration program for the Eaglehead project will be reported when finalized. Completion of the proposed 2018 exploration program at Eaglehead is contingent on receipt of the required permits on a timely basis and funding.

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6. SUMMARY OF QUARTERLY RESULTS

The quarterly results are as follows:

	January 31, 2018 3 months ended	October 31, 2017 3 months ended	July 31, 2017 3 months ended	April 30, 2017 3 months ended
Loss before taxes	\$ 213,774	\$ 400,188	\$ 395,888	\$ 453,045
Net loss	213,774	144,910	395,888	453,045
Comprehensive loss/(gain)	787,900	(322,819)	1,637,337	(220,645)
Comprehensive loss/(gain) per share, basic and diluted	0.00	(0.00)	0.00	(0.00)

	January 31, 2017 3 months ended	October 31, 2016 3 months ended	July 31, 2016 3 months ended	April 30, 2016 3 months ended
Loss before non-operating items and taxes	\$ 207,014	\$ 633,383	\$ 305,814	\$ 413,437
Net loss	207,014	37,171	305,814	413,437
Comprehensive loss/(gain)	549,757	(724,814)	(201,748)	1,995,501
Comprehensive loss/(gain) per share, basic and diluted	0.00	(0.00)	(0.00)	0.00

The Company's quarterly operating expenses decreased in Q1 2018 compared to Q4 2017, as a result of a decrease in professional fees and office costs.

7. DISCUSSION OF OPERATIONS

All of 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 financial statements for the three months ended January 31, 2018 for Copper Fox's "Basis of Presentation and Significant Accounting Policies".

For the three months ended January 31, 2018 and 2017, the consolidated expenses were:

	Three Months Ended	
	January 31, 2018	January 31, 2017
<u>Expenses:</u>		
Administration	\$ 245,885	\$ 189,129
Depreciation, amortization and accretion	5,293	6,825
Professional fees	4,499	12,915
Interest and other income	(41,903)	(1,856)
Net Loss	\$ 213,774	\$ 207,014

Three Months Ended January 31, 2018 Compared to Three Months Ended January 31, 2017

For the three months ended January 31, 2018, the Company recorded a net loss of \$213,774 or \$0.00 per share compared to a net loss of \$207,014 or \$0.00 per share in the comparable prior period. The slight increase in net loss of \$6,670 is due to an increase in administrative costs offset by an increase in investment income this period compared to the prior comparable period.

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8. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

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

During the three months ended January 31, 2018, the Company incurred a net loss of \$213,774 (January 31, 2017 - \$207,014) and the Company's cash position was \$92,737 (October 31, 2017 - \$286,195).

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

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

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

Working Capital

As at January 31, 2018, Copper Fox had working capital of \$30,263 (October 31, 2017 – \$272,883). The working capital decreased in the three months ended January 31, 2018 compared to the year ended October 31, 2017 as a result of capital outflows for Van Dyke, Sombrero Butte and Mineral Mountain projects, in addition to the Company's operating costs. These costs were not offset by the Q3 2017 private placement financing.

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 Sombrero Butte, Mineral Mountain and Eaglehead projects over the near term, Copper Fox intends to continue to incur expenditures without revenues and accumulate operating losses. As a result, the Company needs to obtain adequate financing to fund future exploration and development, including the potential construction of a mine, in order to reach profitable levels of operation. It is not possible to predict whether future financing efforts will be successful or whether financing on favourable terms will be available.

Copper Fox has no long-term debt or long-term liabilities, other than its combined decommissioning provision of US \$160,000 and its deferred tax liability of \$1,924,315. The Company has no capital lease obligations, operating or any other long term obligations, other than its office lease.

COPPER FOX METALS INC.*Management's Discussion and Analysis of Financial Condition and Results of Operation***For the Three Months Ended January 31, 2018 and January 31, 2017 (Expressed in Canadian Dollars)****Cash Flow Highlights**

	Three Months Ended	
	January 31, 2018	January 31, 2017
Cash used in operating activities	\$ (192,449)	\$ (276,278)
Cash provided by/(used) in investing activities	155	(147,665)
Cash provided by financing activities	-	-
Decrease in cash for the period	(192,294)	(423,943)
Translation effect of foreign currency	(1,164)	9,834
Cash balance, beginning of year	286,195	847,505
Cash Balance, End of Period	\$ 92,737	\$ 433,396

Cash Flow for the Three Months Ended January 31, 2018 and January 31, 2017*Operating Activities*

Cash used in operating activities was \$192,449 in the current period compared to \$276,278 in the prior comparable period. The decrease of \$83,829 is due to a moderate decrease in the changes in non-cash working capital accounts payable offset by a smaller reduction in the non-cash working capital accounts receivable.

Investing Activities

Cash provided by investing activities in the current period was \$155 compared to cash used in investing activities of \$147,655 in the prior period. The decrease of \$147,810 in cash used in investing activities is due to what being little money that was spent on the Eaglehead property for the three months ended January 31, 2018 was offset by the gain on sale of investments from selling the Bell Copper shares.

Financing Activities

Cash inflow from financing activities was \$Nil in the current period compared to \$Nil in the prior comparable period, because there were no financings in the three months ended January 31, 2018 and 2017.

Capital Resources

As of January 31, 2018, and as of the date of this MD&A, the Company had \$92,737 and \$118,174 in cash.

Contractual Commitments

The Company has a commitment, with respect to its office lease, as follows:

Year Ended	2018	2019
Amount	\$ 87,058	\$ 87,058

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The Company is also committed to pay the balance outstanding of four yearly option payments totalling \$196,704 (US \$160,000) under the Sombrero Butte acquisition agreement. The next payment of \$49,176 (US \$40,000) is due on October 15, 2018.

Teck holds a 75% interest and the Company holds a 25% interest in the Schaft Creek Joint Venture ("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, 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.

9. RELATED PARTY TRANSACTIONS

Copper Fox

During the three months ended January 31, 2018, legal fees of \$761 (January 31, 2017 - \$11,713) were paid to Farris, Vaughan, Wills & Murphy LLP ("Farris"). As at January 31, 2018, included in accounts payable to Farris was \$13,330 (October 31, 2017 - \$12,569). One of the principle partners at Farris is a member of Copper Fox's Board of Directors.

Carmax

For the three months ended January 31, 2018, \$Nil (January 31, 2017 - \$2,500) was paid in rent to a company controlled by a former officer of Carmax.

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

Description	January 31, 2017	January 31, 2018
Directors fees	\$ 3,500	\$ 3,000
Salaries and consulting fees	118,375	119,154
Total	\$ 121,875	\$ 122,154

10. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's financial instruments consist of cash, loans and other receivables, deposits, investments and accounts payables and accrued liabilities.

The Company's financial assets, measured at fair value, are categorized as follows:

Description	As at January 31, 2018				
	Loans and Receivables	Available For Sale	Other Financial Liabilities	Total Carrying Amount	Total Fair Value
<i>Financial Assets:</i>					
Cash	\$ 92,737	\$ -	\$ -	\$ 92,737	\$ 92,737
Other receivables	175,668	-	-	175,668	175,668
Deposits	249,813	-	-	249,813	249,813
Investments	-	117,641	-	117,641	117,641
Total Financial Assets	\$ 518,218	\$ 117,641	\$ -	\$ 635,859	\$ 635,859
<i>Financial Liabilities:</i>					
A/P and accrued liabilities	\$ -	\$ -	\$ 238,142	\$ 238,142	\$ 238,142
Total Financial Liabilities	\$ -	\$ -	\$ 238,142	\$ 238,142	\$ 238,142

Description	As at October 31, 2017				
	Loans and Receivables	Available For Sale	Other Financial Liabilities	Total Carrying Amount	Total Fair Value
<i>Financial Assets:</i>					
Cash	\$ 286,195	\$ -	\$ -	\$ 286,195	\$ 286,195
Other receivables	179,040	-	-	179,040	179,040
Deposits	250,352	-	-	250,352	250,352
Investments	-	143,885	-	143,885	143,885
Total Financial Assets	\$ 715,587	\$ 143,885	\$ -	\$ 859,472	\$ 859,472
<i>Financial Liabilities:</i>					
A/P and accrued liabilities	\$ -	\$ -	\$ 192,352	\$ 192,352	\$ 192,352
Total Financial Liabilities	\$ -	\$ -	\$ 192,352	\$ 192,352	\$ 192,352

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Determination of Fair Value

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

- *Level 1* – observable inputs such as quoted prices in active markets. The Company's common share ownership in Bell Resources is a Level 1 instrument (Note 4);
- *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, for all years carried at fair market value is a Level 3 instrument (Note 4).

The Company's activities expose it to a variety of financial risks, which arise as a result 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 January 31, 2018 is \$175,668 (October 31, 2017 - \$179,040).

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 as a result of changes in foreign exchange rates. During the three months ended January 31, 2018 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, but a minimal impact to the loss 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.

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Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As of January 31, 2018, the Company is exposed only on its cash balance.

Commodity Price Risk

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

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

Liquidity Risk

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

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

As at January 31, 2018, the Company had \$4,546 in US denominated cash balances.

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 drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

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Any of the following events, among others, could affect the profitability or economic feasibility of a project. Unanticipated changes in grade and tons of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability and costs of labor, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in metals prices, foreign exchange rates, accidents, labor actions and force-majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. The actual results for the Schaft Creek and Van Dyke projects could differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favorable than currently estimated, our business, results of operations, financial condition and liquidity could be materially adversely affected.

Joint Ventures

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

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

Securing Additional Funding to Bring the 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.

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

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

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations, or its ability to develop its properties economically. Before production may commence on any property, the Company must obtain regulatory and environmental approvals and permits. There is no assurance such approvals and permits will be obtained on a timely basis, if at all. Compliance with environmental and other regulations may reduce profitability, or preclude economic development of a property entirely.

Title Matters

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

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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

We do not currently have any proposed transactions; however, the Company from time to time does review potential property acquisitions and divestitures, in addition to conducting further exploration work on its property. The Company releases appropriate public disclosure as it conducts exploration work on its existing property and if the Company makes an acquisition or divestiture.

13. DISCLOSURE OF OUTSTANDING SHARE CAPITAL DATA

Authorized Share Capital

Authorized share capital consists of an unlimited number of common shares and an unlimited number of first and second preferred shares, without par value, of which no preferred shares have been issued.

As of January 18, 2018, the issued and outstanding shares are as follows:

Common Shares	Number	Amount
<i>Opening Balance, October 31, 2017:</i>	436,980,160	\$ 76,583,300
<i>Additions:</i>		
There was no share activity in Q1 2018	-	-
Balance, January 31, 2018	436,980,160	\$ 76,583,300

Common Shares	Number	Amount
<i>Opening Balance, October 31, 2016:</i>	427,813,495	\$ 75,884,886
<i>Additions:</i>		
July 27, 2017 private placement	9,166,665	1,100,000
Warrants granted	-	(401,586)
Balance, October 31, 2017	436,980,160	\$ 76,583,300

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As of January 31, 2018, the Company has the following warrants outstanding:

Share Purchase Warrants	Number of Warrants	Amount
<i>Opening Balance, October 31, 2017:</i>	19,919,665	\$ 1,095,212
<i>Additions:</i>		
There was no warrant activity in Q1 2018	-	-
Balance, January 31, 2018	19,919,665	\$ 1,095,212

Share Purchase Warrants	Number of Warrants	Amount
<i>Opening Balance, October 31, 2016:</i>	10,753,000	\$ 693,626
<i>Additions:</i>		
July 27, 2017 warrants granted	9,166,665	401,586
Balance, October 31, 2017	19,919,665	\$ 1,095,212

Stock Option Plan

The number of shares reserved for issuance under the Company's stock option plan is limited to 10% of the number of shares which are issued and outstanding on the date of a particular grant of options. Under the plan, the Board of Directors determines the term of a stock option, the vesting period of the options and the option exercise price, which shall not be less than the closing price of the Company's share on the TSX:V immediately preceding the date of grant. The Compensation Committee determines and makes recommendations to the Board as to the recipients, nature and size of the share-based compensation awards in compliance with applicable securities law, stock exchange and other regulatory requirements.

As of January 31, 2018, the Company has options outstanding entitling the holders to acquire common shares as follows:

Stock Options	Weighted Avg. Exercise Price	Number of Options
<i>Opening Balance, October 31, 2017:</i>	\$ -	-
<i>Additions:</i>		
There was no option activity in Q1 2018	-	-
Balance, January 31, 2018	\$ -	-

Stock Options	Weighted Avg. Exercise Price	Number of Options
<i>Opening Balance, October 31, 2016:</i>	\$ 1.04	550,000
<i>Additions:</i>		
Expired	\$ 1.04	(550,000)
Balance, October 31, 2017	\$ -	-

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14. OFF-BALANCE SHEET ARRANGEMENTS

During the three months ended January 31, 2018, 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

There were no changes in the Company's accounting policies during the three months ended January 31, 2018. New and revised accounting standards and interpretations issued but not yet adopted are described in Note 2, "*Basis of Presentation and Significant Accounting Policies*", of the audited consolidated financial statements for the fiscal year ended October 31, 2017.

16. CRITICAL ACCOUNTING ESTIMATES

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

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

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Depreciation

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

Impairment

The carrying value of property and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable

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

Site Closure and Reclamation Provisions

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

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

Title to Mineral Properties

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

Share-Based Payments

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

Contingencies

The assessment of contingencies involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Company and that may result in regulatory or government actions that may negatively impact the Company's business or operations, the Company and its legal counsel evaluate the perceived merits of the legal proceeding or un-asserted claim or action as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to

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disclose as a contingent liability or when assessing the impact on the carrying value of the Company's assets. Contingent assets are not recognized in the Company's financial statements.

17. APPROVAL

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