

*Unaudited Interim Condensed Consolidated Financial Statements of:*



**COPPER FOX METALS INC.**

For the Three and Nine Months Ended

**July 31, 2016**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, "Continuous Disclosure Obligations", Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

The Company's independent auditors have not performed a review of these unaudited interim condensed consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

**COPPER FOX METALS INC.**

Interim Condensed Consolidated Statements of Financial Position (*Unaudited*)  
As at July 31, 2016 and October 31, 2015

	July 31, 2016	October 31, 2015
<b>Assets</b>		
<i>Current assets:</i>		
Cash	\$ 2,109,122	\$ 1,529,138
Trade and other receivable	214,911	233,762
Investments (Note 4)	35,000	-
Prepaid expenses and deposits	89,841	138,399
<b>Total Current Assets</b>	<b>2,448,874</b>	1,901,299
<i>Non-current assets:</i>		
Deposits	135,000	135,000
Investments (Note 4)	770,305	761,805
Exploration & evaluation assets (Note 5)	77,672,650	76,649,701
Property and equipment (Note 6)	122,446	153,654
<b>Total Assets</b>	<b>\$ 81,149,275</b>	\$ 79,601,459
<b>Liabilities and Shareholders' Equity</b>		
<i>Current liabilities:</i>		
Accounts payable and accrued liabilities	\$ 356,687	\$ 433,791
<i>Non-current liabilities:</i>		
Decommissioning liabilities (Note 7)	201,051	208,769
Deferred tax liabilities	2,775,725	2,775,725
<b>Total Liabilities</b>	<b>3,333,463</b>	3,418,285
<i>Shareholders' equity:</i>		
Share capital (Note 8)	75,883,433	74,035,461
Share purchase warrants (Note 8)	1,098,020	196,623
Accumulated other comprehensive income	17,500	-
Contributed surplus	15,823,771	15,823,771
Non-ownership interest (Note 9)	1,823,112	1,977,887
Currency translation reserve	1,736,812	2,071,709
Deficit	(18,516,836)	(17,922,277)
<b>Total Shareholders' Equity</b>	<b>77,815,812</b>	76,183,174
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 81,149,275</b>	\$ 79,601,459
Reporting entity and nature of operations (Note 1)		
Commitments (Note 13)		

Approved on behalf of the Board of Directors on September 19, 2016:

"J. Michael Smith"  
J. Michael Smith, Director

"Elmer B. Stewart"  
Elmer B. Stewart, Director

*See accompanying notes to consolidated financial statements.*

**COPPER FOX METALS INC.**

Interim Condensed Consolidated Statements of Comprehensive Loss (*Unaudited*)  
**Three and Nine Months Ended July 31, 2016 and July 31, 2015**

	Three Months Ended		Nine Months Ended	
	July 31, 2016	July 31, 2015	July 31, 2016	July 31, 2015
<i>Expenses:</i>				
Administration	\$ 239,255	\$ 456,827	\$ 866,566	\$ 1,167,553
Depreciation, amortization and accretion	8,150	9,361	23,490	26,755
Professional fees	59,936	21,798	166,295	352,026
Share based compensation	-	3,282	-	37,782
Interest income	(1,527)	(6,883)	(22,333)	(116,690)
<b>Net Loss</b>	<b>\$ 305,814</b>	<b>\$ 484,385</b>	<b>\$ 1,034,018</b>	<b>\$ 1,467,426</b>
<i>Other comprehensive loss/(gain):</i>				
Foreign currency translation loss/(gain)	(507,562)	(793,940)	334,897	(1,516,374)
<b>Total Comprehensive Loss/(Gain)</b>	<b>\$ (201,748)</b>	<b>\$ (309,555)</b>	<b>\$ 1,368,915</b>	<b>\$ (48,948)</b>
<i>Net loss attributable to:</i>				
Common shareholders	\$ 283,358	\$ 438,091	\$ 942,229	\$ 1,308,623
Non-controlling interest	22,456	46,294	91,789	158,803
<b>Net Loss</b>	<b>\$ 305,814</b>	<b>\$ 484,385</b>	<b>\$ 1,034,018</b>	<b>\$ 1,467,426</b>
<i>Total comprehensive loss/(gain) attributable to:</i>				
Common shareholders	\$ (224,204)	\$ (355,849)	\$ 1,277,126	\$ (207,751)
Non-controlling interest	22,456	46,294	91,789	158,803
<b>Total Comprehensive Loss/(Gain)</b>	<b>\$ (201,748)</b>	<b>\$ (309,555)</b>	<b>\$ 1,386,915</b>	<b>\$ (48,948)</b>
Loss/(gain) per share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ 0.00	\$ (0.00)
Weighted average number of shares (Note 10)	420,969,114	407,660,044	414,246,946	407,660,044

*See accompanying notes to consolidated financial statements.*

**COPPER FOX METALS INC.**  
Interim Condensed Consolidated Statements of Changes in Equity (*Unaudited*)  
**Nine Months Ended July 31, 2016 and July 31, 2015**

	Share Capital	Warrants	Acc. Other Comp Inc.	Contributed Surplus	NOI	Currency Translation Reserve	Deficit	Total Shareholder's Equity
<i>Balance as at October 31, 2015:</i>	\$ 74,035,461	\$ 196,623	\$ -	\$ 15,823,771	\$ 1,977,887	\$ 2,071,709	\$ (17,922,277)	\$ 76,183,174
Shares issued for cash	2,865,359	-	-	-	-	-	-	2,865,359
Share issuance costs	(165,990)	-	-	-	-	-	-	(165,990)
Currency translation adj.	-	-	-	-	-	(334,897)	-	(334,897)
Granted warrants	(1,098,020)	1,098,020	-	-	-	-	-	-
Expired warrants	196,623	(196,623)	-	-	-	-	-	-
Acc. other comprehensive inc.	-	-	17,500	-	-	-	-	17,500
Reclassification of NOI	-	-	-	-	(62,986)	-	439,459	376,473
Net loss for the period	-	-	-	-	(91,789)	-	(1,034,018)	(1,125,807)
<b>Balance as at July 31, 2016</b>	<b>\$ 75,833,433</b>	<b>\$ 1,098,020</b>	<b>\$ 17,500</b>	<b>\$ 15,823,771</b>	<b>\$ 1,823,112</b>	<b>\$ 1,736,812</b>	<b>\$ (18,516,836)</b>	<b>\$ 77,815,812</b>

	Share Capital	Warrants	Acc. Other Comp Inc.	Contributed Surplus	NCI	Currency Translation Reserve	Deficit	Total Shareholder's Equity
<i>Balance as at October 31, 2014:</i>	\$ 74,035,461	\$ 196,623	\$ -	\$ 15,823,771	\$ 2,592,674	\$ 543,026	\$ (17,028,782)	\$ 76,162,773
Currency translation adj.	-	-	-	-	-	1,516,374	-	1,516,374
Reclassification of NCI	-	-	-	-	132,943	-	-	132,943
Net loss for the period	-	-	-	-	(158,803)	-	(1,399,895)	(1,558,698)
<b>Balance as at July 31, 2015</b>	<b>\$ 74,035,461</b>	<b>\$ 196,623</b>	<b>\$ -</b>	<b>\$ 15,823,771</b>	<b>\$ 2,566,814</b>	<b>\$ 2,059,400</b>	<b>\$ (18,428,677)</b>	<b>\$ 76,253,392</b>

*See accompanying notes to consolidated financial statements.*

**COPPER FOX METALS INC.**  
Interim Condensed Consolidated Statements of Cash Flows *(Unaudited)*  
**Nine Months Ended July 31, 2016 and July 31, 2015**

	Nine Months Ended	
	July 31, 2016	July 31, 2015
<b>Cash Provided By/(Used in):</b>		
<i>Operations:</i>		
Net loss	\$ (1,034,018)	\$ (1,467,426)
Depreciation, amortization and accretion	23,490	26,755
Share based compensation	-	37,782
Changes in non-cash working capital	(100,527)	702,758
<b>Net Cash Used in Operating Activities</b>	<b>(1,111,055)</b>	<b>(700,132)</b>
<i>Investing:</i>		
Investments	(17,500)	1,237,025
Mineral property expenditures	(1,057,188)	(5,570,861)
Changes in non-cash working capital	71,413	-
<b>Net Cash Used in Investing Activities</b>	<b>(1,003,275)</b>	<b>(4,333,836)</b>
<i>Financing:</i>		
Receipt of Mineral Exploration Tax Credit	-	3,551,035
Proceeds from issue of shares and warrants, net	2,691,231	757,709
<b>Net Cash From Financing Activities</b>	<b>2,691,231</b>	<b>4,308,744</b>
Increase in cash during the period	576,901	(725,224)
Translation effect of foreign currency	3,083	1,516,374
Cash, beginning of year	1,529,138	1,654,521
<b>Cash, End of Period</b>	<b>\$ 2,109,122</b>	<b>\$ 2,445,671</b>

*See accompanying notes to consolidated financial statements.*

## **COPPER FOX METALS INC.**

*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)*

**Three and Nine Months Ended July 31, 2016 and July 31, 2015**

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### **1. Reporting Entity and Nature of Operations**

Copper Fox Metals Inc. (“**Copper Fox**” or the “**Company**”) was incorporated under the Business Corporations Act of Alberta. On July 14, 2010 the Company transferred its registration from Alberta and became incorporated under the Business Corporations Act of British Columbia. The Company is engaged in the exploration for and development of copper mineral properties in Canada and the United States. Copper Fox’s shares trade on the TSX Venture Exchange (“**TSX:V**”) under the trading symbol (“**CUU**”). To date, the Company has not earned any revenue from these operations and is considered to be in the exploration and evaluation stage. The Company recognizes the potential need to obtain debt or equity financing to fund future exploration programs. There is no guarantee the Company will be successful in raising additional funds.

The Company maintains its head office at 340 – 12 Avenue SW, Suite 650, Calgary, Alberta. These condensed consolidated interim financial statements include the accounts of the Company and the accounts of its subsidiaries.

### **2. Basis of Presentation and Significant Accounting Policies**

These interim condensed consolidated financial statements have been prepared in accordance and in compliance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and interpretations of the International Financial Reporting Interpretations Committee (“**IFRIC**”).

These interim unaudited consolidated financial statements follow the same accounting policies and methods of computation as outlined in Note 2 of the Company’s consolidated audited financial statements for the year ended October 31, 2015 and do not include all of the information required for reporting in the annual financial statements.

These interim condensed consolidated financial statements were approved for issuance by the Board of Directors on September 19, 2016.

### **3. Recent Accounting Pronouncements**

The IASB issued a number of new and revised accounting standards that are effective for periods beginning on or after January 1, 2016. These standards include the following:

- IFRS 9, Financial Instruments
- IFRS 10, Consolidated Financial Statements;
- IFRS 11, Business Combinations in a Joint Operation
- Amended IAS 16 and IAS 38, Methods of Depreciation
- Amended IAS 28, Investments in Associates and Joint Ventures; and

These new and revised accounting standards have been adopted by Copper Fox and the Company has determined there is no impact on the amounts recorded in its financial statements as at July 31, 2016.

## COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2016 and July 31, 2015

### 4. Investments

#### Short Term Investments

Copper Fox holds 500,000 shares of the Bell Copper Corporation, trading symbol (“BCU”), which were acquired as consideration for a one year extension on the loan outstanding of \$168,000. As at July 31, 2016, the Bell shares were trading at \$0.07 per share.

#### Long Term Investments

Copper Fox holds 29,342 shares of Liard Copper Mines Ltd. (“Liard”), a private company incorporated in British Columbia. These shares are recorded at a cost with a value of \$759,305. Liard holds a 30% net proceeds interest royalty in the Schaft Creek project. The shares held by Copper Fox are in addition to the shares held by the Schaft Creek Joint Venture (“SCJV”) with Teck Resources Limited (“Teck”) and represent approximately 1.55% of the issued and outstanding shares of Liard.

Through Carmax Mining Corp (“Carmax”), the Company holds 100,000 common shares in Alexandria Minerals Corporation, an incorporated public company, quoted as at July 31, 2016, having a market value of \$11,000.

### 5. Exploration and Evaluation Assets

	Balance October 31, 2015	Additions	Balance July 31, 2016
<b>Arizona Properties:</b>			
<i>Van Dyke Project:</i>			
Acquisition of property rights	\$ 2,585,093	\$ -	\$ 2,585,093
Technical analysis	5,444,345	166,118	5,610,463
Licenses and permits	56,029	-	56,029
Foreign exchange	1,514,936	(29,756)	1,485,180
<b>Total Van Dyke Project</b>	<b>9,600,403</b>	<b>136,362</b>	<b>9,736,765</b>
<i>Sombrero Butte Project:</i>			
Acquisition of property rights	\$ 847,819	\$ -	\$ 847,819
Technical analysis	562,525	35,540	598,065
Licenses and permits	64,466	-	64,466
Foreign exchange	293,686	(5,450)	288,235
<b>Total Sombrero Butte Project</b>	<b>1,768,496</b>	<b>30,090</b>	<b>1,798,586</b>
<i>Desert Fox Minerals Project:</i>			
Technical analysis	\$ 48,853	\$ 175,301	\$ 224,153
Foreign exchange	-	966	966
<b>Total Desert Fox Minerals Project</b>	<b>48,853</b>	<b>176,267</b>	<b>225,119</b>
<b>Total Arizona Properties</b>	<b>\$ 11,417,752</b>	<b>\$ 342,719</b>	<b>\$ 11,760,470</b>
<b>British Columbia Properties:</b>			
<i>Schaft Creek:</i>			
Acquisition of property rights	\$ 3,053,755	\$ -	\$ 3,053,755
Technical analysis	61,839,754	-	61,839,754



## COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2016 and July 31, 2015

Licenses and permits	106,623	-	106,623
Sub-total Schaft Creek	65,000,132	-	65,000,132
BC Mineral Exploration Tax Credit	(3,571,178)	(4,327)	(3,575,505)
<b>Total Schaft Creek</b>	<b>61,428,954</b>	<b>(4,327)</b>	<b>61,424,627</b>
<i>Eaglehead:</i>			
Technical analysis	3,802,995	684,557	4,487,552
<b>Total Eaglehead</b>	<b>3,802,995</b>	<b>684,557</b>	<b>4,487,552</b>
<b>Total British Columbia Properties</b>	<b>65,231,949</b>	<b>680,230</b>	<b>65,912,179</b>
<b>Total Mineral Properties</b>	<b>\$ 76,649,701</b>	<b>\$ 1,022,949</b>	<b>\$ 77,672,650</b>

	Balance October 31, 2014	Additions	Balance October 31, 2015
<b>Arizona Properties:</b>			
<i>Van Dyke Project:</i>			
Acquisition of property rights	\$ 2,585,093	\$ -	\$ 2,585,093
Technical analysis	4,590,127	854,218	5,444,345
Licenses and permits	56,029	-	56,029
Foreign exchange	272,258	1,242,678	1,514,936
<b>Total Van Dyke Project</b>	<b>7,503,507</b>	<b>2,096,896</b>	<b>9,600,403</b>
<i>Sombrero Butte Project:</i>			
Acquisition of property rights	\$ 847,819	\$ -	\$ 847,819
Technical analysis	167,304	395,221	562,525
Licenses and permits	64,466	-	64,466
Foreign exchange	86,712	206,974	293,686
<b>Total Sombrero Butte Project</b>	<b>1,166,301</b>	<b>602,195</b>	<b>1,768,496</b>
<i>Desert Fox Minerals Project:</i>			
Technical analysis	\$ -	\$ 48,853	\$ 48,853
<b>Total Desert Fox Minerals Project</b>	<b>-</b>	<b>48,853</b>	<b>48,853</b>
<b>Total Arizona Properties</b>	<b>\$ 8,669,808</b>	<b>\$ 2,747,944</b>	<b>\$ 11,417,752</b>
<b>British Columbia Properties:</b>			
<i>Schaft Creek:</i>			
Acquisition of property rights	\$ 3,053,755	\$ -	\$ 3,053,755
Technical analysis	61,816,854	22,900	61,839,754
Licenses and permits	106,623	-	106,623
Sub-total Schaft Creek	64,977,232	22,900	65,000,132
BC Mineral Exploration Tax Credit	(4,427,812)	856,634	(3,571,178)
<b>Total Schaft Creek</b>	<b>60,549,420</b>	<b>879,534</b>	<b>61,428,954</b>
<i>Eaglehead:</i>			
Technical analysis	3,005,454	797,541	3,802,995
<b>Total Eaglehead</b>	<b>3,005,454</b>	<b>797,541</b>	<b>3,802,995</b>
<b>Total British Columbia Properties</b>	<b>\$ 63,554,874</b>	<b>\$ 1,677,075</b>	<b>\$ 65,231,949</b>
<b>Total Mineral Properties</b>	<b>\$ 72,224,682</b>	<b>\$ 4,425,019</b>	<b>\$ 76,649,701</b>

## COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2016 and July 31, 2015

During the year ended October 31, 2013, the Company entered into an agreement with Teck to jointly develop the Schaft Creek project in northwestern British Columbia. The agreement replaced and superseded the 2002 option agreement between Teck and Copper Fox in connection with the Schaft Creek project and gave Teck a 75% interest and Copper Fox a 25% interest in the Schaft Creek project, with Teck being the operator.

In addition to Copper Fox's interest in the SCJV, Copper Fox holds, through Desert Fox Copper Inc. ("Desert Fox") and its wholly-owned subsidiaries, the Sombrero Butte and the Mineral Mountain Copper Projects, located in Pinal County, Arizona and the Van Dyke Copper Project located in Gila County, Arizona.

The Company also holds a controlling interest in Carmax, which holds the Eaglehead property located in northwestern British Columbia (Note 9).

For the nine month period ended July 31, 2016 the Company capitalized \$62,784 (October 31, 2015 - \$71,222) for technical services provided by a director.

### 6. Property and Equipment

Description	Cost	Accumulated Amortization	Net Book Value July 31, 2016	Net Book Value October 31, 2015
Asset retirement obligation	\$ 129,947	\$ 88,165	\$ 41,782	\$ 61,128
Buildings	137,250	85,855	51,395	55,561
Computer equipment	82,544	71,460	11,084	14,302
Furniture & equipment	46,887	39,825	7,062	8,309
Heavy equipment	173,332	162,209	11,123	14,354
<b>Total</b>	<b>\$ 569,960</b>	<b>\$ 447,514</b>	<b>\$ 122,446</b>	<b>\$ 153,654</b>

Property and equipment are stated at cost which includes the acquisition price and any direct costs to bring the asset into productive use at its intended location.

### 7. Decommissioning Liabilities

The Company's decommissioning liabilities relate to the Company's share of reclamation and closure costs for the Schaft Creek and Eaglehead properties. The total decommissioning liability is based on the Company's estimated costs to reclaim the property and facilities along with the estimated timing costs to be incurred in future years.

The Company has estimated the net present value of its share of the decommissioning liabilities of Schaft Creek to be \$165,161 as at July 31, 2016 (October 31, 2015 - \$173,302) based on an undiscounted and inflated future liability of \$191,534 (October 31, 2015 - \$196,316). These payments are expected to be made in the next 5.25 years.

The Company's estimated risk free rate of 1.19% (October 31, 2015 – 1.46%) and inflation rate of 2.10% (October 31, 2015 – 2.10%) were used to calculate the present value of the decommissioning liabilities.

## COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2016 and July 31, 2015

The decommissioning provision for the Eaglehead exploration and evaluation asset was estimated by management based on the Company's ownership interest, the estimated timing of the risk adjusted costs to be incurred in future periods and the Company's risk free interest rate of 1.19% as at July 31, 2016.

The Company has estimated the net present value of this provision at July 31, 2016 to be \$35,890 (October 31, 2015 - \$35,467) based on a total undiscounted liability of \$36,500. This undiscounted cost was determined by using a risk adjusted rate of inflation of 5% annually. These costs are expected to be incurred in 2017.

Description	Copper Fox	Carmax	Totals
<i>Opening Balance, October 31, 2015:</i>	\$ 173,302	\$ 35,467	\$ 208,769
Accretion – Carmax	-	423	423
Accretion – Copper Fox	2,652	-	2,652
Revisions – Copper Fox	(10,793)	-	(10,793)
<b>Balance, July 31, 2016</b>	<b>\$ 165,161</b>	<b>\$ 35,890</b>	<b>\$ 201,051</b>

## 8. Share Capital

### Authorized

Authorized share capital consists of an unlimited number of common shares and an unlimited number of first and second preferred shares, without par value, of which none have been issued. Issued and outstanding shares are as follows:

Common Shares	Number	Amount
<i>Opening Balance, October 31, 2015:</i>	407,660,044	\$ 74,035,461
Additions:		
Common shares, net of issuance costs	20,153,450	2,699,370
Expired warrants	-	196,623
Granted warrants	-	(1,098,020)
<b>Balance, July 31, 2016</b>	<b>427,813,494</b>	<b>\$ 75,883,433</b>

### Warrants

As of July 31, 2016, the Company has the following warrants outstanding:

Share Purchase Warrants	Number of Warrants	Amount
<i>Opening Balance, October 31, 2015:</i>	3,358,228	\$ 196,623
Expired	(3,358,228)	(196,623)
Granted	10,753,000	1,098,020
<b>Balance, July 31, 2016</b>	<b>10,753,000</b>	<b>\$ 1,098,020</b>

## COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2016 and July 31, 2015

### 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 (up to a maximum of 10 years), 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 of Directors 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 July 31, 2016, the Company has options outstanding entitling the holders to acquire common shares as follows:

Share Purchase Options	Number of Options
Opening Balance, October 31, 2015:	1,575,000
Expired	(1,025,000)
<b>Balance, July 31, 2016</b>	<b>550,000</b>

Exercise Price	Issue Date	Expiry Date	Balance Outstanding	Balance Vested
\$1.04	April 24, 2012	April 24, 2017	550,000	550,000
<b>Total</b>			<b>550,000</b>	<b>550,000</b>

## 9. Non-Ownership Interest

On January 12, 2016, the Company, through Northern Fox, closed a \$1,500,000 equity flow through private placement in Carmax. The private placement consisted of 30,000,000 shares at a cost of \$0.05 per share.

Copper Fox now beneficially owns and controls 66,566,528 of the 101,742,525 issued and outstanding common shares of Carmax, representing a 65.4% ownership of Carmax.

The non-ownership interest ("NOI") is as follows:

	Ownership interest not held by Copper Fox at July 31, 2016
Percent owned by Carmax Mining Corp.	34.6%

## COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2016 and July 31, 2015

The following is summarized financial information for Carmax before any intercompany elimination:

	Carmax Financials as at July 31, 2016
Total comprehensive loss	\$ 265,286
<b>Total Comprehensive Loss Attributable To Non-Ownership Interest</b>	<b>91,789</b>
Current assets	1,141,755
Non-current assets	10,014,837
Current liabilities	(370,307)
Non-current liabilities	(135,890)
Consolidation fair value adjustments	(5,381,285)
Net assets	5,269,110
<b>Net Assets Attributable To Non-Ownership Interest</b>	<b>\$ 1,823,112</b>
Cash flows used in operating activities	(271,492)
Cash flows used in investing activities	(613,144)
Cash flows from financing activities	1,491,862
<b>Net Increase In Cash</b>	<b>\$ 607,226</b>

### 10. Weighted Average Number of Shares

Per share amounts are computed by dividing total comprehensive gain for the period by the weighted average number of shares outstanding. In computing per share amounts, the weighted average number of shares outstanding for the nine months ended July 31, 2016 was 420,969,114 (October 31, 2015 – 407,660,044). Stock options and warrants granted by the Company have not been included in the computation of diluted per share amounts as they are anti-dilutive.

### 11. Related Party Transactions

#### Copper Fox

As at July 31, 2016, \$Nil (October 31, 2015 – \$Nil) for management services and technical services were included in accounts payable.

#### Carmax

At July 31, 2016, included in accounts payable and accrued liabilities is \$Nil (October 31, 2015 – (\$3,806)) owing to companies controlled by directors and \$Nil (October 31, 2015 - \$4,830) owing to companies controlled by officers for services rendered to the Company. In addition, for the nine month period ended July 31, 2016, \$11,250 (October 31, 2015 - \$11,900) was paid in rent to a company controlled by an officer of Carmax and \$4,263 (October 31, 2015 – \$73,403) was paid and capitalized to Eaglehead for services rendered by a company controlled by a former director.

## COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2016 and July 31, 2015

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### Promissory Note

On October 28, 2015 Copper Fox entered into a promissory note loan (the “**Loan**”) with Carmax, whereas Copper Fox agreed to lend Carmax up to \$400,000, in minimum increments of \$50,000, for working capital purposes, as needed. Carmax shall pay interest on the principle, from the disbursement date to the due date, November 30, 2016, at a rate of 1%, compounded monthly.

At any time during the term of the Loan, Copper Fox, at its sole discretion, can convert a portion or all of the loan outstanding, including unpaid interest, into free trading shares of Carmax at a price equal to the greater of \$0.05 or the 10-day average trading price, calculated over the period after notice is given, subject to the prior approval of the exchange.

As at July 31, 2016, Copper Fox had loaned Carmax \$100,000. This loan outstanding is eliminated upon consolidation of Copper Fox and Carmax.

## 12. Key Management Compensation

The remuneration of the chief executive officer, chief financial officer, directors and those persons having authority and responsibility for planning, directing and controlling activities of the Company as well as Carmax are as follows:

Description	July 31, 2016	October 31, 2015
Director fees	14,500	10,500
Salaries and consulting fees	243,329	589,819
Share-based compensation	-	38,260
<b>Total</b>	<b>\$ 257,829</b>	<b>\$ 638,579</b>

## 13. Commitments

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

Year Ended	2016	2017	2018	2019
Amount	\$ 27,670	\$ 112,031	\$ 116,078	\$ 87,058

The Company is also committed to pay the balance outstanding of six yearly option payments totalling US \$240,000 (CDN \$312,984) under the Sombrero Butte acquisition agreement. The next payment of US \$40,000 (CDN \$52,164) is due on October 15, 2016.

In the SCJV agreement, the Company is responsible for 25% of pre-production costs beyond the initial \$60 million of costs to be incurred by Teck and 25% of capital costs following a production decision. Copper Fox’s pro rata share of any pre-production costs in excess of \$60 million will be funded by Teck by using the two remaining direct cash payments, totaling \$40 million, payable to Copper Fox. These payments are based on certain project milestones being achieved and the costs incurred by the Company will offset the amounts remaining from Teck. If pre-production expenditures on the Schaft

## **COPPER FOX METALS INC.**

*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)*

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Creek project exceed \$240 million, the two cash payments payable to Copper Fox would be reduced to zero and Teck would fund any additional costs incurred prior to a production decision, if required, by way of loan to Copper Fox to the extent of its pro rata share, without dilution to Copper Fox's 25% joint venture interest.

### **14. Financial Instruments**

The Company's financial instruments consist of cash, trade and other receivables, investments and trade and other payables.

#### **Determination of Fair Value**

Fair values have been determined for measurement and or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, trade and other receivables, investments and trade and other payables on the balance sheet approximate their fair value because of the limited term of these instruments.

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 investment through its ownership of Carmax in Alexandria Minerals Corporation as well as their common share ownership in Bell Resources is a Level 1 instrument;
- *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 a level 3 instrument.

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 July 31, 2016 is \$151,231 (October 31, 2015 - \$233,762) which is comprised of GST and accounts receivable.

## **COPPER FOX METALS INC.**

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**Three and Nine Months Ended July 31, 2016 and July 31, 2015**

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### **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 nine months ended July 31, 2016 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.

#### *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 July 31, 2016, 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.

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 July 31, 2016, the Company had \$23,328 in US denominated cash balances.

### **Capital Management**

The Company's capital structure includes working capital and shareholders' equity. The Company is largely reliant on junior resource venture capital markets for additional financing requirements.



**COPPER FOX METALS INC.***Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three and Nine Months Ended July 31, 2016 and July 31, 2015****15. Geographic Segments**

	Three Months Ended		Nine Months Ended	
	July 31, 2016	July 31, 2015	July 31, 2016	July 31, 2015
<i>Net loss before taxes:</i>				
Canada	\$ 283,332	\$ 427,467	\$ 981,708	\$ 1,215,930
United States	22,482	56,918	52,310	251,496
<b>Total</b>	<b>\$ 305,814</b>	<b>\$ 484,385</b>	<b>\$ 1,034,018</b>	<b>\$ 1,467,426</b>
<i>Capital expenditures:</i>				
Canada	\$ 611,594	\$ 398,927	\$ 680,230	\$ 499,231
United States	113,294	1,202,229	376,958	2,247,776
<b>Total</b>	<b>\$ 724,888</b>	<b>\$ 1,601,156</b>	<b>\$ 1,057,188</b>	<b>\$ 2,747,007</b>

	July 31, 2016	October 31, 2015
<i>Total assets:</i>		
Canada	\$ 69,170,426	\$ 68,058,237
United States	11,978,849	11,543,222
<b>Total</b>	<b>\$ 81,131,775</b>	<b>\$ 79,601,459</b>