

Unaudited interim Financial Statements of

COPPER FOX METALS INC.

Three and six months ended April 30, 2009 and 2008

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, 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 financial statements of Copper Fox Metals Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of the interim 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 auditor.

Signed: Guillermo Salazar

Guillermo Salazar
President and CEO

June 25, 2009

Signed: Murray Hunter

Murray Hunter
Chief Financial Officer

COPPER FOX METALS INC.

Balance Sheets (unaudited)

	30-Apr-09	31-Oct-08
Assets		
Current assets:		
Cash and cash equivalents	\$ 34,858	\$ 939,462
Accounts receivable	-	714,753
Prepaid expenses and deposits	241,240	241,240
	276,098	1,895,455
Mineral properties (Note 5)	8,588,420	38,971,959
Property and equipment (Note 4)	714,486	781,918
	\$ 9,579,004	\$ 41,649,332
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,610,168	\$ 3,954,481
Asset retirement obligations (note 9)	331,011	316,967
Future income taxes	-	2,167,646
Shareholders' equity:		
Share capital (note 6)	35,003,704	35,003,704
Share purchase warrants (note 6)	1,328,215	2,759,123
Contributed surplus (note 6)	6,346,614	4,920,997
Deficit	(37,040,708)	(7,473,586)
	5,637,825	35,210,238
Going concern (note 2)		
Commitment (note 10)		
Contingency (note 8)		
Subsequent event (note 11)		
	\$ 9,579,004	\$ 41,649,332

See accompanying notes to interim financial statements.

On behalf of the Board:

(Signed)

Guillermo Salazar, Director

(Signed)

Elmer Stewart, Director

COPPER FOX METALS INC.

Statements of Loss and Comprehensive Loss and Deficit
Three and six months ended April 30
(unaudited)

	Three Months Ended		Six Months Ended	
	April 30, 2009	April 30, 2008	April 30, 2009	April 30, 2008
Expenses:				
Administration	\$ 215,415	\$ 384,086	\$ 372,521	\$ 793,864
Amortization and accretion	39,647	51,948	81,475	103,744
Mineral property write down	-	-	31,000,000	-
Professional Fees	150,003	125,078	222,685	176,083
Processing fees	14,074	19,021	19,287	24,076
Rent	5,007	8,694	17,781	17,389
Stock Based Compensation	-	107,525	(5,291)	161,083
Travel	7,625	32,465	26,688	83,770
Interest Income	(8)	(8,943)	(378)	(41,581)
Net loss and comprehensive loss and future taxes	431,763	719,874	31,734,768	1,318,428
Future income tax reduction	-	-	(2,167,646)	-
Net loss and comprehensive loss	431,763	719,874	29,567,122	1,318,428
Deficit, beginning of period	36,608,945	7,335,426	7,473,586	6,736,872
Deficit, end of period	\$ 37,040,708	\$ 8,055,300	\$ 37,040,708	\$ 8,055,300
Loss per share – basic and diluted (note 7)	\$ (0.00)	\$ (0.01)	\$ (0.26)	\$ (0.02)

See accompanying notes to interim financial statements.

COPPER FOX METALS INC.

Statements of Cash Flows

Three and six months ended April 30

(unaudited)

	Three Months Ended		Six Months Ended	
	April 30, 2009	April 30, 2008	April 30, 2009	April 30, 2008
Cash provided by (used in):				
Operations:				
Net loss for the period	\$ (431,763)	\$ (719,874)	\$ (29,567,122)	\$ (1,318,428)
Items not involving cash:				
Amortization and accretion	39,648	51,948	81,476	103,744
Property write down	-	-	31,000,000	-
Stock-based compensation	-	107,525	(5,291)	161,083
Future income tax reduction	-	-	(2,167,646)	-
Change in non-cash working capital	215,229	381,427	718,148	726,072
	(176,891)	(178,974)	59,565	(327,529)
Financing:				
Issue of shares and warrants	-	5,598,739	-	5,624,239
Cash received in advance of shares issued	-	1,249,080	-	1,249,080
	-	6,847,819	-	6,873,319
Investing:				
Mineral property expenditures	(155,086)	(1,412,619)	(616,461)	(2,392,075)
Additions to property and equipment	-	(968)	-	(7,684)
Net change in non-cash working capital	100,629	293,480	(347,708)	(1,427,370)
	(54,457)	(1,120,107)	(964,169)	(3,827,129)
Increase/(decrease) in cash during period	(231,348)	5,548,738	(904,604)	2,718,661
Cash and cash equivalents, beginning of period	266,206	2,257,488	939,462	5,087,565
Cash and cash equivalents, end of period	\$ 34,858	\$ 7,806,226	\$ 34,858	\$ 7,806,226
Supplementary information:				
Interest received	\$ 8	\$ 8,943	\$ 378	\$ 41,581

See accompanying notes to interim financial statements.

COPPER FOX METALS INC.

Selected notes to interim Financial Statements

Three and six months ended April 30, 2009 and 2008
(unaudited)

1. COMPANY OPERATIONS

Copper Fox Metals Inc. ("Copper Fox" or the "Company") is incorporated under the Business Corporations Act of Alberta and is engaged in the exploration for and development of mining properties in Western Canada. Since inception the efforts of the Company have been devoted to identifying exploration and production licenses for acquisition and conducting exploration activities thereon. To date, the Company has not received revenue from these operations and is considered to be in the exploration and development stage.

2. GOING CONCERN

These financial statements have been prepared by management in accordance with accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

At April 30, 2009, the Company had a working capital deficiency of \$3,334,070, a deficit of \$37,040,708 and a net loss and comprehensive loss for the quarter of \$431,763 and for the six months ended April 30, 2009 a net loss and comprehensive loss of \$29,567,122. The working capital deficiency as at June 25, 2009 is estimated to be \$1,958,671. The Company's mineral license is at the exploration stage. There are liens on the property by two service providers in the amount of \$600,240. These circumstances cause substantial doubt as to the ability of the Company to continue as a going concern.

The Company's ability to continue operations is dependent on obtaining required funds to repay its existing creditors, maintain its interest in the property and achieve success in developing commercial mineral interests.

The Company is dependent upon the raising of capital in order to carry out its business plan. Additional sources of financing will also be necessary for the Company to continue exploration and development of its property. Management is seeking equity financing for the Company and although management has been successful in the past, there is no assurance that these initiatives will be successful in the future.

Subsequent to quarter end, the Company has arranged for additional financing that, in part, is subject to approval from its shareholders and the TSX Venture Exchange as described in note 11, Subsequent Event.

GOING CONCERN (continued)

These financial statements have been prepared on the basis that the Company will be able to discharge its obligations and realize its asset in the normal course of business at the values at which they are carried in these financial statements, and that the Company will be able to continue its business activities. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption be inappropriate, and these adjustments could be material.

3. CAPITAL AND RISK MANAGEMENT

Capital Management:

The Company considers its capital structure to include shareholders' equity and working capital. In order to operate, the Company from time to time issues shares to fund its capital spending and operational needs.

In order to facilitate the management of its capital requirements, the Company prepares annual capital and administrative expenditure budgets that are updated as necessary. The annual and updated budgets are approved by the Board of Directors.

The Company's share capital is not subject to any external restriction. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future.

Financial Risk Management:

The Company has exposure to the following risks:

Liquidity risk: Liquidity risk is the risk that the Company will not be able to meet its current obligations as they are due. The Company's approach to managing liquidity is to issue shares to raise cash in advance of incurring exploration costs.

The Company prepares annual capital and administrative budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes a purchase order system to authorize expenditures to further manage capital expenditures.

Market risk: Market risk is the risk that changes in foreign exchange rates, commodity prices, and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

CAPITAL AND RISK MANAGEMENT (continued)

As at April 30, 2009, if the Canadian dollar had weakened 5% against the United States dollar with all other variables held constant, the net loss for the quarter ended January 31, 2009 would have increased by approximately \$100 (2008- \$12,000). An equal and opposite impact would have occurred had the Canadian dollar improved by 5% against the United States dollar. These changes relate to the Company's exposure on its United States dollar cash chequing account.

The Company does not currently have any other exposure to a significant market risk other than foreign currency risk referred to in the preceding paragraph.

4. PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and consist of the following:

	Cost	Accumulated Amortization	Net Book Value April 30, 2009	Net Book Value October 31, 2008
Buildings	\$ 549,000	\$ 102,687	\$ 446,313	\$ 469,494
Property & equipment	601,598	348,515	253,083	294,612
Leasehold improvements	1,197	783	414	459
Computer equipment	38,872	24,196	14,676	17,353
	\$ 1,190,667	\$ 476,181	\$ 714,486	\$ 781,918

5. MINERAL PROPERTY

	Balance October 31, 2008	Expenditures	Balance April 30, 2009
Acquisition of property rights	\$ 100	\$ -	\$ 100
Technical analysis	38,591,110	616,461	39,207,571
Property write down	-	(31,000,000)	(31,000,000)
Licenses and permits	106,623	-	106,623
Asset retirement costs	274,126	-	274,126
	\$ 38,971,959	\$ (30,383,539)	\$ 8,588,420

By way of an Agreement which provides the terms and conditions for the acquisition from Teck Cominco Limited ("Teck Cominco"), the Company holds the sole and exclusive right and option to acquire 100% of Teck Cominco's interest in the Schaft Creek property, located in British Columbia. Teck Cominco holds a 70% direct participating interest and an indirect 23.4% carried interest in Schaft Creek. Teck Cominco has a Back-In Right, which it may exercise, to buy back into Schaft Creek

MINERAL PROPERTY (continued)

at any time up until the Back-In Right expires, which is 120 days after the delivery of a Feasibility Study by the Company. The option consists of two parts whereby:

- (a) The Company may acquire the 70% direct interest by incurring \$5,000,000 in expenditures on or before December 31, 2006 and aggregate expenditures of \$15,000,000 on or before December 31, 2011; and
- (b) The Company may acquire the additional 23.4% indirect interest at any time after incurring the \$5,000,000 in expenditures by completing a positive Bank Feasibility Study. If the Company has delivered a Feasibility Notice to Teck Cominco prior to completing the \$15,000,000 in expenditures, the Company will, in addition to having acquired the indirect interest, be deemed to have exercised the Option as to the direct interest.

The Company has earned the 70% direct participating interest held by Teck Cominco by incurring the required expenditures required in the option agreement outlined in item (a) above. The Company has formally given notice to Teck Cominco and has requested a transfer of title into the name of Copper Fox Metals Inc.

For the three and six months ended April 30, 2009 the Company has capitalized \$9,375 (2008 - \$7,500) and \$15,625 (2008 - \$31,631) of management and technical services from one of its directors (see note 8).

During the first quarter, the mineral properties were written down by \$31,000,000 based on a proposed merger with another company.

6. SHAREHOLDERS' EQUITY

(a) Authorized:

Unlimited number of common shares.

Unlimited number of first and second preferred shares, of which none have been issued.

(b) Issued and outstanding:

Common Shares	Number	Amount
Balance, October 31, 2007	82,897,737	27,066,951
Options exercised during period	1,215,000	258,500
Flow through shares issued	20,853,848	9,384,232
Non Flow through shares issued	7,535,000	3,014,000
Value ascribed to warrants		(2,301,045)
Transfer from contributed surplus		243,356
Share issue costs		(858,415)
Future taxes on renounced expenditures		(1,803,875)
Balance, October 31, 2008 and April 30, 2009	112,501,585	\$ 35,003,704

SHAREHOLDERS' EQUITY continued

(c) Share purchase warrants:

As at April 30, 2009 and October 31, 2008, warrants to purchase common shares are outstanding as follows:

	Number of Warrants	Amount
Balance, October 31, 2008	17,006,225	\$ 2,759,123
Warrants expired	(9,571,528)	(1,430,908)
Balance, April 30, 2009	7,434,697	\$ 1,328,215

(d) Contributed surplus:

	30-Apr-09	31-Oct-08
Balance, beginning of period	\$ 4,920,998	\$ 3,533,520
Stock based compensation	(5,292)	922,752
Capitalized stock based compensation	-	707,269
Warrants expired	1,430,908	812
Options exercised	-	(243,355)
Balance, end of period	\$ 6,346,614	\$ 4,920,998

(e) Stock options and stock based compensation:

There are 8,408,000 stock options outstanding at April 30, 2009 with weighted average price of \$0.632 per share. Options expire between three and five years from the grant date. The outstanding options expire between July 2009 and June 2013. All options are vested at April 30, 2009.

	Number Of Options
Balance, October 31, 2008	8,898,000
Options expired	(490,000)
Balance, April 30, 2009	8,408,000

The fair value of stock options vested during the period ended April 30, 2009 were from \$0.033 to \$0.085 per option, resulting in compensation expense of (\$5,292) (2006 - \$168,788). This amount is recorded to contributed surplus and upon exercise will be recorded as an increase to share capital

7. PER SHARE AMOUNTS

The weighted average number of common shares used to calculate the net loss per share for the three and six month period ended April 30, 2009 was 112,501,585 (2008 – 82,978,515 and 82,988,652). The effect of outstanding options and warrants is anti-dilutive for the three and six months ended April 30, 2009 and 2008.

8. CONTINGENT LIABILITY AND RELATED PARTY TRANSACTIONS

During the three and six months ended April 30, 2009 directors and officers of the Company incurred \$93,169 (2008 - \$160,993) and \$156,502 (2008 - \$295,343) for management and technical services on behalf of the Company. At April 30, 2009 \$142,297 (2008 – \$23,393) is included in accounts payable. These transactions were recorded at the exchange amount agreed to by the related parties.

Included in accounts payable at April 30, 2009 is an amount due to a company controlled by a former Director of Copper Fox for \$825,000 (2008 – Nil).

9. ASSET RETIREMENT OBLIGATIONS

Balance, October 31, 2008	\$ 316,967
Accretion of retirement obligation	14,044
Balance, April 30, 2009	\$331,011

10. COMMITMENT

The Company has established a \$75,000 university bursary, to a deserving student within the Tahltan Nation, over a 5 year period commencing in the Company's 2007 fiscal year and ending in 2011. The remaining balance at April 30, 2009 is \$45,000.

11. SUBSEQUENT EVENT

On June 2, 2009, the Company announced that, subject to the approval of the TSX-Venture Exchange, the Company intends to complete a non-brokered private placement offering to raise up to \$6,000,000 CDN in funds (the "Offering"). The Offering is expected to consist of 106,666,666 Units at \$0.05625 per Unit, for aggregate gross proceeds of \$6,000,000. Each Unit consists of one common share of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder thereof to acquire one common share of the Company for an exercise price of CDN \$0.075 and expires one year from the closing date of the offering.

SUBSEQUENT EVENT continued

As of June 25, 2009, the Company has received \$1,598,749 net of selling costs of \$59,434 related to this issues and will result in the issuance of 29,478,826 shares and warrants.

As part of the offering an individual will be subscribing for \$5,000,000 that will allow them to acquire 88,888,888 shares of the Company. This will result in the creation of a new control person as defined by the TSX Venture Exchange whereby this individual will own approximately 39% of the issued and outstanding shares of the Company, and would own approximately 55% of the Company, if all warrants were fully exercised.

12. CHANGE IN ACCOUNTING POLICIES

International Financial Reporting Standards: In February, 2008, the CICA Accounting Standards Board ("AcSB") confirmed the changeover to International Financial Reporting Standards ("IFRS") from Canadian GAAP will be required for publicly accountable enterprises' interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Copper Fox will be required to begin reporting under IFRS for its fiscal year beginning November 1, 2011. The eventual changeover to IFRS represents a change due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.