

COPPER FOX METALS INC

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED JULY 31, 2010

September 22, 2010

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") unaudited interim financial statements for the three and nine months ended July 31, 2010 and related notes thereto and the audited annual financial statements for the year ended October 31, 2009 and related management discussion and analysis. Technical information contained in this MD&A has previously been disseminated by way of news release and is 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 pages 10 and 11). The effective date of this MD&A is September 22, 2010. All amounts are in Canadian dollars unless otherwise stated.

Description of Business

Copper Fox is a Canadian-based resource company listed on the TSX-Venture Exchange (CUU) involved in the exploration and development of a "Giant Porphyry" copper-molybdenum-gold mineral deposit located at Schaft Creek in north west British Columbia, Canada. Copper Fox's primary objective is to complete the feasibility study on the advanced stage Schaft Creek deposit as soon as reasonably possible. Schaft Creek is one of the largest undeveloped porphyry copper-gold-molybdenum-silver deposits in Canada. In addition to working on completion of the feasibility study, Copper Fox is planning to explore the potential extensions of the Schaft Creek deposit both along strike and at depth.

The Schaft Creek deposit is located within a contiguous group of mineral claims that cover 21,025 hectares. Copper Fox holds a 100% working interest in the Schaft Creek project, subject to 30% net proceeds interest, the "indirect interest", held by Liard Copper Mines Limited ("Liard"), a private company 78% owned by Teck Resources Limited ("Teck"), and a 3.5% net profits interest held by Royal Gold, Inc. Copper Fox will earn Teck's indirect interest by completing a positive "bankable" feasibility study as defined in the 2002 option agreement with Teck.

Teck may elect at any time to exercise one of its "earn-back" options, however completion of a bankable feasibility study will trigger for Teck, a 120 day period to elect to either: i) exercise one of its earn-back options; ii) retain 1% net smelter return royalty; or iii) receive shares of Copper Fox to a value of \$1,000,000.

If Teck exercises its earn-back option, then Teck can elect to acquire either 20%, 40% or 75% of Copper Fox's interest in the Schaft Creek project by solely funding subsequent expenditures equal to either 100%, 300% or 400% of Copper Fox's prior expenditures.

If Teck elects to earn back a 75% working interest Teck would also be responsible for arranging Copper Fox's share of project financing to be repaid from Copper Fox's share of future metal sales, until payout is reached.

Management's Discussion and Analysis
Quarter ended July 31, 2010

In addition, Copper Fox owns a 100% working interest in another contiguous group of mineral claims covering 3,947 hectares that is not subject to the option agreement.

Highlights

During the quarter, Copper Fox's activities focused primarily on completing the feasibility study on the Schaft Creek deposit. In addition to the work on the feasibility study, field work completed in the quarter included prospecting, mapping, compilation of historical data, a geophysical survey and diamond drilling.

Financial:

During the quarter, Copper Fox raised an additional \$5.8 million in cash by way of shareholders exercising outstanding warrants.

Field work:

- diamond drill hole (DDH) 2010CF398 intersected visible bornite-chalcopyrite mineralization over approximately 90% of its core length. The mineralization remains open at depth,
- DDH 2010CF398 confirmed the mineralized nature of the chargeability anomaly identified in July 2010. This anomaly and the mineralization remains open at depth,
- the Induced Polarization/Resistivity (chargeability) anomalies outlined by the geophysical survey strongly suggest that the Schaft Creek mineral deposit extends a significant distance to the north, the east and at depth beyond the limits of the current diamond drilling;
- the chargeability anomalies show a strong correlation to the mineralization which is open to the north and south;
- studies show that the watershed areas around the Schaft Creek deposit are non fish bearing.
- Future plans include completion of an additional geophysical survey, continuation of the diamond drilling program and additional sampling of existing historical diamond drill core

Feasibility Study:

Wardrop, a Tetra Tech Company, the main contractor for the feasibility study worked on the Mining and Bulk Explosives Plan, Dilution Studies, Process Mass Balance and the Piping and Electrical aspects of the feasibility study. During the quarter, cost estimating was also undertaken.

Knight Piésold Ltd. worked on the Open Pit Geotechnical and Hydrogeological Study, Tailings Disposal Options and completed the plant site geotechnical drilling during the quarter. Work on the Hydrometeorology Study and Mine Site

Management's Discussion and Analysis
Quarter ended July 31, 2010

Water Balance was also completed during the quarter. Site Wide Water Management Plan, including watershed model and impacts assessment for the site including water quality estimations were undertaken. The preliminary alignment for the Transmission Line to supply electrical power to site was completed. The Tailing Storage Facility Design and the location of the tailings pipeline and reclaim water designs for the mill commenced during the quarter.

BGC Engineering is working on assessing the potential geohazards along the access road to Schaft Creek as well as providing comment to McElhanney Consulting Services Ltd., (another contractor working on the feasibility study), regarding road design and adjustments in areas where potential geohazards have been identified.

Operating Activities

The Company's main objective in 2010 is to complete the feasibility study on the Schaft Creek deposit before the end of 2010. The feasibility study includes numerous studies to assess the geotechnical and engineering components of the Schaft Creek deposit as well as detailed environmental and socio-economic studies related to development of the Schaft Creek deposit. All components of the feasibility study are being reviewed with provincial, federal and Tahltan representatives as the feasibility study progresses.

Resource Estimation:

A significant part of the feasibility study is an updated National Instrument 43-101 compliant resource estimation. AMEC Americas Limited has been retained to complete the updated resource estimate. The recently completed geological model shows that the Main and Paramount mineralized zones are one large zone that has been intruded by the higher-grade breccia zone. These two distinct zones will be modelled separately. The National Instrument 43-101 compliant updated resource estimation for the Schaft Creek deposit is expected to be received in October 2010. The effective date of the updated resource estimate is December 31, 2009. The data base used in the resource estimate covers the analytical data base collected from the deposit from 1957 to 2008. The analytical results for the 2010 drilling program will not be included in the updated resource estimation being prepared for the Feasibility Study.

Geophysical Survey:

The results of the Quantec Geosciences Limited (Quantec) geophysical survey received during the quarter demonstrate that a substantial portion of the mineralization associated with the Schaft Creek deposit has not been tested by diamond drilling. Five sections totalling 22.4 kilometres of Titan-24 system survey were completed over a horizontal distance of approximately 1,600 m of strike length of the Schaft Creek deposit. To view a geophysical model of the Schaft Creek mineral deposit based on the Null reference chargeability; go to the Copper Fox website at www.copperfoxmetals.com.

The Quantec Survey identified two distinctly different geophysical signatures within the Schaft Creek deposit. The southern portion of the deposit shows a chargeability anomaly that is approximately 1,500 m wide and 400 m in depth.

Management's Discussion and Analysis
Quarter ended July 31, 2010

This anomaly is relatively flat lying and has been reasonably well tested by diamond drilling across the width of the Schaft Creek deposit.

The northern portion of the deposit exhibits a distinctly different geophysical signature that averages approximately 1,500 m in width and extends at depth below the 500 m level; the depth capability of the Titan-24 system. The chargeability anomaly shows a 100% correlation to the copper-gold-molybdenum-silver mineralization in this portion of the Schaft Creek deposit and strongly suggests that the mineralization is open at depth. Based on the shape of the anomaly, it appears that approximately 800 m of the anomaly to the east under Mount LaCasse has not been tested by diamond drilling.

The Quantec Survey combined with the recently completed geological model suggests that the centre of the porphyry system is located toward the north end of the Schaft Creek deposit. Surface work completed during the Quarter has also located copper oxide mineralization in outcrop and in boulders over a strike length of 1,600 m from the apparent north end of the Schaft Creek deposit to the northern boundary of the property.

The Quantec survey located the anomalies that were defined in 2008. Based on the strength of the responses, and lithologies present in the area it is interpreted that the 2008 anomalies are due to geological features not sulphide mineralization.

Diamond Drilling Program:

During the quarter, three geotechnical holes to test the bedrock strength in the area around the proposed mill site were completed. In addition Tahltan Drilling Services commenced a minimum 2,000 metre diamond core drilling program. Due to a difficult start-up, which has been rectified; the number of holes included in the program may be changed due to the fixed nature of the budget and the possibility of drilling deeper holes.

The objectives of the current diamond core drilling program are:

- to better define the distribution of the copper-gold-molybdenum-silver grades in the vertical dipping West Breccia zone (see News Release dated June 1, 2010) as a possible higher-grade "starter pit", and
- test the deep Induced Polarization/Resistivity ("IP") anomalies recently identified by the Quantec Survey announced in July 2010.

Diamond drill hole (DDH) 2010CF 398 is an inclined (-55 degrees) HQ diameter hole that was drilled to a core length of 539.5 m (vertical depth of 450m). This hole intersected variable concentrations of visible bornite and chalcopyrite, both copper sulphide minerals over 90% of the core length of the hole. In addition to the bornite and chalcopyrite mineralization; visible molybdenite mineralization occurs sporadically throughout the core length in quartz veinlets and

Management's Discussion and Analysis
Quarter ended July 31, 2010

in some instances also with bornite-chalcopyrite mineralization. The bornite-chalcopyrite mineralization occurs as disseminations, veins and veinlets in variably potassic altered volcanic and intrusive rocks.

DDH 2010CF398 was completed to test the upper 200 m of this section of the Schaft Creek deposit as a potential higher-grade "starter pit". This drill hole is also located on one of the Titan-24 chargeability anomalies identified in July 2010. This drill hole extended the copper mineralization on this section from an average vertical depth of 225 m to a vertical depth of 450 m. DDH2010CF398 ended in visible copper +/- molybdenite mineralization and remains open at depth. Core logging, sawing and sampling of DDH 2010CF398 is in progress and analytical results will be reported on receipt thereof.

The reader is cautioned that visible copper and molybdenite mineralization does not necessarily equate to significant concentrations of either copper or molybdenum and there is no assurance that the assay results of the samples from this drill hole will yield significant copper or molybdenum grades.

Environmental Studies:

During the quarter, Copper Fox worked with the Tahltan Heritage Resources Environmental Assessment team and provincial and federal regulators to complete the Application Information Requirement (formerly the Terms of Reference) for the Environmental Assessment (EA) Application for the Schaft Creek project.

Copper Fox has engaged Stantec Consulting Ltd. (Stantec) to assemble the environmental data collected over the past five years and to prepare the Environmental Assessment (EA) Application for the Schaft Creek project. Copper Fox continues to advance the Schaft Creek Project through the British Columbia (BC) and federal environmental assessment (EA) process and is working closely with the Canadian Environmental Assessment Agency and the BC Environmental Assessment Office to harmonize the EA process for Schaft Creek. A draft Application Information Requirements document that meets both the federal and provincial requirements of the EA Application will be released for a formal 30 day public comment period in October 2010.

The extensive environmental studies completed by Copper Fox over the past five years show that the tailings storage facility, the open pit and the waste rock storage areas, all three of which are major components of the feasibility study, and the proposed mine site are not located within fish bearing waters. Naturally occurring barriers prevent fish from accessing these major project components.

Copper Fox expects that due to the absence of fish in the area around the proposed mine site, a Schedule 2 Amendment under the *Fisheries Act* would not be required, a significant positive step in proceeding with the EA Application for the Schaft Creek deposit.

Management's Discussion and Analysis
Quarter ended July 31, 2010

Copper Fox has selected the tailings and waste rock storage area based on consultation with the regulatory agencies. Our goal is to minimize the impact on the environment. Working in conjunction with provincial, federal and Tahltan Heritage Resources Environmental Assessment team representatives should allow the development of the Schaft Creek Project in an environmentally responsible manner. Following the mandatory review period of the EA Application, Copper Fox expects to obtain a BC Environmental Assessment Certificate and an approval under the Canadian Environmental Assessment Act in the third quarter of 2011.

Future Activities:

Copper Fox is of the opinion that a considerable portion of the mineral potential of the Schaft Creek project and the Schaft Creek deposit has not been tested. During the next quarter, our primary objective will be to complete the feasibility study. Copper Fox also plans to complete additional activities to assess the potential extensions of the Schaft Creek deposit.

Copper Fox plans to complete an additional Quantec Titan-24 DCIP and MT survey over the area that extends from the apparent north end of the Schaft Creek deposit to the northern boundary of the Schaft Creek Project, a horizontal distance of 1,600 m. The Titan-24 survey is scheduled to commence before the end of September and preliminary results are expected before mid-October. Contingent on the results of the Quantec Titan-24 survey, diamond drilling of identified chargeability anomalies is planned immediately thereafter.

Re-sampling of some of the historical diamond drill holes completed by Hecla and Teck is also planned to be completed during the next quarter.

Elmer B. Stewart, MSc. P. Geol., President of Copper Fox, is the Corporation's nominated Qualified Person pursuant to National Instrument 43-101, Standards for Disclosure for Mineral Projects, has reviewed the technical information disclosed in the preceding paragraphs.

Third Quarter Overview

Revenues:

The Company has no income producing assets and has not reported any revenue from operations for any of the quarters ended July 31, 2010, July 31, 2009 or July 31, 2008. The Company is considered to be in the exploration and development stage.

Expenses:

A comparison of the expenses incurred by Copper Fox for the three months ended July 31, 2010, July 31, 2009 and July 31, 2008 are set out below. During the three months ended July 31, 2010 Copper Fox incurred expenses of \$436,792

Management's Discussion and Analysis
Quarter ended July 31, 2010

compared to \$490,856 for the three months ended July 31, 2009 and \$1,307,400 for the three months ended July 31, 2008.

	2010	2009	2008
Expenses:			
Administration	\$ 216,689	\$ 219,242	\$ 466,710
Amortization and accretion	34,382	43,454	51,980
Insurance	65,409	47,772	76,593
Professional fees	78,312	89,903	61,681
Processing fees	10,035	47,742	45,614
Rent	7,203	5,702	7,281
Stock based compensation	4,983	29,901	626,705
Travel	19,879	7,140	27,083
Interest income	(100)	-	(56,247)
Net loss	\$ 436,792	490,856	1,307,400

The decrease in expenditures from 2008 to 2010 is primarily related to stock based compensation, which does not affect the cash flow of the Company, and a decrease in administration fees. Travel expense increased over the quarter ended in 2009 due to increased level of activity related to the feasibility study.

Loss:

Copper Fox incurred a net loss and comprehensive loss for the three and nine months ended July 31, 2010 of \$436,792 (2009 - \$490,856), (2008 - \$1,307,400) and \$1,192,681 (2009 - \$30,057,979), (2008 - \$2,625,828). The losses recorded in 2009 related to a one time write down in the carrying value of the Schaft Creek project.

Loss per Share:

Loss per share is computed by dividing net loss for the period by the weighted average number of shares outstanding. In computing loss per share the weighted average number of shares outstanding during the three and nine months ended July 31, 2010 were 282,663,051 (2009 - 119,597,324), (2008 - 94,973,524) and 262,504,109 (2009 - 119,597,324), (2008 - 89,973,524) common shares. The increase in the number of shares issued per quarter is due to the exercise of share purchase warrants issued on previous financings completed by Copper Fox in 2009. Stock options and warrants granted by the Company during this period have not been included in the computation of loss per share as they are anti-dilutive.

The loss per share for the three and nine month periods ended July 31, 2010 were (\$0.00) compared to a loss per share of (\$0.00) and (\$0.27) for the three and nine month periods ended July 31, 2009 and (\$0.01) and (\$0.03) for the three

Management's Discussion and Analysis
Quarter ended July 31, 2010

and nine month periods ended July 31, 2008. The large difference in loss per share for the nine month period ended July 31, 2009 is due to a one time write down of the Schaft Creek project.

Cash Flow and Loss:

Copper Fox reported a loss for the three months ended July 31, 2010 of \$436,792 compared to a loss of \$490,856 for the same period in 2009 and a loss of \$1,307,400 for the same period in 2008. Included in the loss is \$4,983 (2009 – \$29,901), (2008 – \$626,705) of stock based compensation charges and \$34,382 (2009 - \$43,454), (2008 - \$51,980) of amortization and accretion which do not affect the cash flow of the Company. Cash flow from operations for the quarter was \$180,833 compared to (\$461,634) for the quarter ended July 31, 2009 and (\$1,985,471) for the quarter ended July 31, 2008. Most of the difference in loss from operations from 2008 to 2010 relates to stock based compensation charges.

Total Assets:

Total assets of the Company at July 31, 2010 are \$21,226,473 (October 31, 2009 - \$13,555,763), (October 31, 2008 - \$41,649,332) which is the carrying value of Copper Fox's investment in the Schaft Creek project. Since 2005, Copper Fox has incurred approximately \$50.1 million in qualifying expenditures as per the Option Agreement with Teck to collect the information required to complete the feasibility study on the Schaft Creek deposit.

Selected Financial Information

	Net Loss	Net (loss)/income per share - basic and diluted
<u>2010</u>		
Third Quarter	\$ (436,792)	\$ 0.00
Second Quarter	\$ (309,067)	\$ 0.00
First Quarter	\$ (446,822)	\$ 0.00
<u>2009</u>		
Fourth Quarter	\$ 1,533,575	\$ 0.01
Third Quarter	\$ (491,057)	\$ 0.00
Second Quarter	\$ (431,763)	\$ 0.00
First Quarter	\$ (29,135,359)	\$ (0.28)
<u>2008</u>		
Fourth Quarter	\$ 1,890,230	\$ 0.02

The gain in the fourth quarter of 2009 is due to a reversal of future income tax expense of \$2,451,266. The increased loss in the first quarter of 2009 is due to a one time write down of the Schaft Creek project of \$31,000,000 and the gain

Management's Discussion and Analysis
Quarter ended July 31, 2010

in the fourth quarter of 2008 is due to a reversal of future income tax of \$2,274,982 and a gain on US currency exchange of \$146,128.

Liquidity and Capital Resources:

The Company's working capital, defined as current assets less current liabilities, was \$2,722,280 at July 31, 2010, an increase of \$1,565,889 from working capital of \$1,156,391 the previous quarter. The July 31, 2010 working capital position reflects the exercise of warrants issued in 2009. The Company has sufficient funds available to meet its current obligations.

During the quarter, 77,136,100 warrants were exercised at a strike price of \$0.075 and 670,382 warrants were exercised at a strike price of \$0.115 for total proceeds of \$5,862,301.

There are currently 9,872,161 outstanding warrants at a strike price of \$0.115. These warrants expire on October 21, 2010 and if all warrants are exercised, a total of \$1,135,299 would be received by Copper Fox.

The Company has in place a budgeting process to help determine the funds required for the completion of the feasibility study. At the end of this quarter the Company has spent approximately \$50.1 million of qualifying expenditures toward this study. The Company will require additional capital to complete this study and to provide for the administration of its Vancouver and Calgary offices. The Company believes that it will be able to raise the capital required to complete the feasibility study through the continued exercise of its outstanding options and warrants or through the public market if required. Circumstances that could affect liquidity are early positive or negative results from the feasibility study, the general state of the equity markets for junior exploration companies and the overall state of the economy.

Off Balance Sheet Arrangements:

The Company has commitments for office space as follows:

Period	Aug 1, 2010 - Oct 31, 2010	Nov 1, 2010 - Oct 31, 2011	Nov 1, 2011 - Oct 31, 2012	Nov 1, 2012 - Jun 30, 2013
Amount	\$ 33,456	\$ 94,831	\$ 77,588	\$ 52,928

The Company entered into a lease for the premises for its Vancouver office which expires in February 2011 and has signed a three year lease commitment commencing July 1, 2010 and expiring June 30, 2013 for the Calgary office. The Calgary office presently sublets 56% of its office space thereby reducing the gross rent cost by \$41,525 pa.

Management's Discussion and Analysis
Quarter ended July 31, 2010

Related Party Transactions:

During the three and nine months ended July 31, 2010 directors and officers of the Company incurred \$187,500 (2009 - \$141,200) and \$543,750 (2009 - \$477,628) for management and technical services on behalf of the Company. In addition, \$47,323 (2009 – Nil) and \$97,719 (2009 – Nil) of legal fees were paid during the three and nine months ended July 31, 2010 to a law firm of which one of the Company's Directors is a partner. At July 31, 2010 \$45,534 (2009 – \$61,847) was included in accounts payable for management and technical services and \$47,323 (2009 – Nil) was included in accounts payable for legal fees. These transactions were recorded at the exchange amount agreed to by the related parties.

Mineral Property:

As at July 31, 2010, the Company incurred \$50.1 million qualifying expenditures ("QE") at Schaft Creek under the terms of the option agreement with Teck. Teck has an earn-back right under the terms of the option which is based on the qualifying expenditures incurred by Copper Fox. Should Teck elect to exercise its earn-back option it will be required to solely fund subsequent project expenditures to the extent of 100%, 300% or 400% to earn 20%, 40% or 75% of the Copper Fox interest. Also, in the event Teck elects to earn 75% interest, it will be responsible for arranging project financing including that of Copper Fox.

Copper Fox's balance sheet shows a carrying value of the Schaft Creek Project to be \$17,045,572, an increase of \$8,328,050 from July 2009. During the first quarter of 2009, the Company wrote down the carrying value of these expenditures by \$31,000,000. The write down in carrying value of Copper Fox's interest in the Schaft Creek Project was based on a number of factors indicating impairment including its market capitalization, the value of competing offers to acquire the company and its working capital deficiency.

A comparison and details of these expenditures related to the Schaft Creek project for 2008, 2009 and 2010 are as follows:

Management's Discussion and Analysis
Quarter ended July 31, 2010

	Expenditures November 1, 2009 to July 31, 2010	Expenditures November 1, 2008 to October 31, 2009	Expenditures November 1, 2007 to October 31, 2008
Drilling Program/camp activities	\$ 1,747,714	\$ 173,034	\$ 8,661,113
Environmental Program	1,247,773	424,208	2,670,108
Feasibility Study	2,113,961	844,558	2,843,863
Social License	82,249	52,594	235,616
Geology, Engineering, Metallurgy	1,044,413	221,835	1,277,769
Testing, Assaying, Mapping, Etc.	748,426	36,071	371,362
Miscellaneous	205,487	37,332	247,269
Mineral property write down	-	(31,000,000)	-
Tax benefit - Capital Compensation/ARO	-	93,958	260,160
	\$ 7,190,023	\$ (29,116,410)	\$ 16,567,260

The Preliminary Feasibility Study ("PFS") on the Development of the Schaft Creek Project Located in Northwest British Columbia, Canada dated September 15, 2008 is filed on SEDAR.

The PFS is based on a daily milling rate of 100,000 tonnes and with the expected percentage metal recoveries of the PFS it was estimated the project could generate total revenues of \$25.5 billion over a 22.6 year mine life. With a net smelter return of \$31.50 per tonne and a total operating cost (includes transportation, refining and smelting of the concentrate) of \$12.50 per tonne of ore processed, the Schaft Creek Project was estimated to generate Net Present Value of the cash flow stream of \$2.7 billion using a discount rate of 8% over 22.6 years after recovery of all capital costs and before taxes.

Reporting Standards:

The Canadian Accounting Standards Board has announced that International Financing Reporting Standards (IFRS) will replace Canada's current GAAP for publically-accountable, profit-oriented enterprises starting January 1, 2011. The Company will be required to adopt these standards commencing November 1, 2011. The Company has evaluated the different accounting policy options that will be available under IFRS. The Company anticipates that the most significant adjustment to the Company's financial statements will relate to the carrying value of its mineral property at Schaft Creek. After completion of the feasibility study on the economic viability of the Schaft Creek deposit the Company believes that the fair value of this asset will substantially exceed its current carrying value. Upon adoption of the IFRS accounting standards, the Company will have the option of reinstating costs that were previously written down (\$31,000,000) or potentially writing up its carrying value to an amount that represents its fair value. A decision related to this adjustment cannot be made until all of the information and facts are available after completion of the feasibility study. Additionally, the Company has determined that adjustments will be required to the opening future tax balances

Management's Discussion and Analysis
Quarter ended July 31, 2010

as well as adjustments for the accounting for stock based compensation and asset retirement obligations. The Company has completed the review of its accounting systems to properly implement any required changes resulting from the adoption of IFRS.

Share Capital

The Company has 352,703,150 shares, 9,594,403 warrants and 10,660,000 options outstanding as of the effective date of this MD&A of September 22, 2010.

Basis of Presentation

The accompanying financial statements of Copper Fox have been prepared by management in accordance with Canadian generally accepted accounting principles.

Forward-looking Statements

This MD&A contains "forward-looking information" within the meaning of the Canadian securities laws. Forward-looking information is generally identifiable by use of the words "believes", "may", "plans", "will", "anticipates", "intends", "budgets", "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-looking information in this MD&A includes statements about anticipated timing and results of feasibility studies, geophysical surveys and drilling programs; visible copper and molybdenite mineralization in diamond drill holes; the size and depth of the Schaft Creek mineral deposit suggested by the IP anomalies outlined by the geophysical survey; the correlation to mineralization suggested by the IP anomalies; geotechnical testing of the proposed mill site to better define a possible higher grade starter pit on the West Breccia zone; testing of the 2010 IP anomalies; environmental implications of studies on the watershed areas around the Schaft Creek deposit; geological interpretations and potential mineral recovery processes; the continued financing of the Feasibility Study; estimated timing and amounts of future expenditures and "payback" periods; and anticipated availability and terms of future financings; Copper Fox's future production, operating and capital costs; operating or financial performance. Information concerning mineral reserve and resource estimates also may be deemed to be forward-looking information in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined.

With respect to the forward-looking information contained in this MD&A, Copper Fox has made numerous assumptions regarding, among other things, the geological, metallurgical, engineering, financial and economic advice that Copper Fox has received is reliable, and is based upon practices and methodologies which are consistent with industry standards; the positive environmental impact that studies on the watershed areas around the Schaft Creek deposit will have; the impact on the project economics as a result of the potential higher grade "starter pit" in the West Breccia zone; and the

Management's Discussion and Analysis
Quarter ended July 31, 2010

continued financing of the Feasibility Study and operations of Copper Fox, including the continued ability to raise cash through the issuance of shares and the exercise of options and warrants. While Copper Fox considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies.

Additionally, there are known and unknown risk factors which could cause Copper Fox's actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include among others: the Feasibility Study and Geophysical Survey may not be completed within the contemplated timeframe or at all; the risk that visible copper and molybdenite mineralization will not equate to concentrations of either copper or molybdenum nor yield significant copper or molybdenum grades; the possibility of negative environmental impact of continued activities; the possibility that an Environmental Assessment Certificate may not be obtained on a timely basis, or at all; fluctuations in copper and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for co-operation of government agencies and affected First Nations in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals.

A more complete discussion of the risks and uncertainties facing Copper Fox is disclosed in Copper Fox's continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com. All forward-looking information herein is qualified in its entirety by this cautionary statement and Copper Fox disclaims an obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any forward-looking information contained herein to reflect future results, events or developments, except as required by law.