

COPPER FOX METALS INC

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED JANUARY 31, 2011

March 29, 2011

Management's Discussion and Analysis
Quarter Ended January 31, 2011

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 months ended January 31, 2011 and related notes thereto and the audited annual financial statements for the year ended October 31, 2010 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 page 15). The effective date of this MD&A is March 29, 2011. 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-silver mineral deposit located at Schaft Creek in northwest British Columbia, Canada.

Copper Fox holds title and a 100% working interest in a contiguous 24,003.5 hectare (59,311 acre) property which includes the Schaft Creek deposit subject to certain royalty agreements, a 30% carried interest held by Liard Copper and an earn back option held by Teck Resources Limited ("Teck"). Copper Fox is currently earning a 78% interest in Liard Copper from Teck. Teck's earn back option to acquire either, 20%, 40% or 75%, of the Schaft Creek project is triggered upon completion of a positive Feasibility Study. Should Teck elect to exercise its option for 75% they are required to fund subsequent property expenditures up to a total of 400% of those incurred by Copper Fox (\$58.1 million to date) and arrange for project financing, including the Copper Fox portion. For full details of the option please refer to the Company's website www.copperfoxmetals.com.

The recently acquired mineral claims from Pembrook Mining Corp. and from Messrs Greig and Kreft are subject to a 2% Net Smelter Return ("NSR"). Copper Fox has the option to repurchase, at any time, one-half of the NSR on one or both of the mineral claims for a purchase price of \$1.5 million each.

In addition Copper Fox owns a further contiguous group of mineral claims encompassing 3,937 hectares (9,753 acres) not subject to the Teck option agreement.

TSX Venture 50®:

On February 15, 2011 Copper Fox was honoured by receiving recognition as being the top performing company in its sector and also the top performing company of all the listed companies on the TSX Venture Exchange. The TSX Venture

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50® are the top 10 companies listed on the TSX Venture Exchange, in each of five major industry sectors – mining, oil & gas, technology & life sciences, diversified industries and clean technology – based on a ranking formula with equal weighting given to return on investment, market cap growth, trading volume and analyst coverage. All data was as of December 31, 2010.

John McCoach, President of the TSX Venture Exchange said “we congratulate Copper Fox on being selected as the top ranked company in the TSX Venture 50® program. This program is designed to recognize TSX Venture’s strongest performers that have been identified as leaders in Canada’s public venture market. We wish the 2011 TSX Venture 50® companies continued success.”

Schaft Creek – A New Perspective:

Our understanding of the Schaft Creek porphyry deposit was advanced considerably in 2010 by the Titan-24 geophysical surveys and the intersection of higher-grade copper-gold mineralization at depth below the Paramount Zone in the northern part of the Schaft Creek deposit. The drilling and the Titan-24 surveys demonstrated the substantial potential to increase not only the size of the deposit but also possibly the overall average grade of the deposit.

The technical information gained about the Schaft Creek deposit in 2010 has allowed Copper Fox to extrapolate this information to other areas surrounding the Schaft Creek deposit. Although, Copper Fox controlled a considerable portion of the land to the north of the Schaft Creek deposit, a strategic land package was located immediately north of Schaft Creek. The relationship between the Mount LaCasse volcanic, the underlying intrusives and the higher grade mineralization identified in 2010 at the Paramount Zone were instrumental in interpreting the significance of the exploration data from the two recently acquired packages of mineral claims.

Feasibility Study – Strategy:

As discussed in the MD&A dated February 15, 2011, the value of a mineral project has two components, the Net Present Value of a mineral deposit based on a feasibility study and the value related to the potential of finding additional mineralization.

The consulting companies contracted by Copper Fox are working toward completing a feasibility study on the Schaft Creek deposit. The second component of the “value chain” is the potential of the unexplored land within the project. The Schaft Creek project covers a large area of which only approximately 607 hectares (1,500 acres) of the 23,876 hectare (59,000 acre) property has been explored using modern exploration techniques. The un-explored portion of the Schaft Creek project combined with the recent mineral claim acquisitions provides Copper Fox with two additional distinct, large, un-explored zones of copper (bornite and chalcopyrite) mineralization exposed in argillic and propylitic altered Mount LaCasse volcanic.

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Highlights

During the quarter Copper Fox completed a substantial amount of work required to complete the resource estimate. Field work completed in the quarter includes completion of the sampling program of selected historical drill holes, Quality Assurance/Quality Control of the analytical database , three dimensional (3D) modelling of the 2010 geophysical surveys and additional environmental baseline studies. The information set out below has been previously released by way of news releases made by Copper Fox over the past few months.

Financial:

During the quarter ended January 31, 2011 the Company received \$3,915,600 (net of costs) in proceeds on a private placement and the exercise of warrants and options and incurred an additional \$3,055,491 of capital expenditures related to the Schaft Creek project. In March 2011, the Company completed a private placement for total proceeds of \$3,750,000 and acquired two very significant mineral properties and purchased shares of Liard Copper Mines Limited.

Diamond Drilling Results:

The weighted average grades (using a zero copper cut-off) of the mineralized intervals for the 2010 diamond drill holes are set out below:

DDH ID	Dip	Azimuth	From (m)	To (m)	Interval (m)	Copper (%)	Gold (g/t)	Molybdenum (%)	Silver (g/t)	Cu Eqv (%)
CF398	-55	90	7.10	539.20	532.10	0.42	0.27	0.020	2.00	0.67
		including	7.10	61.40	54.30	0.70	0.42	0.040	2.80	1.13
		including	325.50	539.20	213.70	0.47	0.37	0.020	3.00	0.78
CF399	-55	90	9.14	517.24	508.10	0.39	0.10	0.050	2.09	0.67
		including	9.14	159.70	150.56	0.53	0.05	0.040	2.87	0.77
		including	462.74	517.24	54.50	0.45	0.33	0.060	3.01	0.94
CF401	-55	90	5.66	495.90	489.53	0.43	0.25	0.028	2.40	0.75
		including	158.00	442.49	283.78	0.55	0.38	0.034	3.15	0.98
		including	345.40	429.20	83.80	0.66	0.50	0.036	3.10	1.17
CF402	-55	90	4.57	581.25	576.68	0.31	0.32	0.033	2.27	0.70
		including	247.67	475.17	227.50	0.36	0.43	0.049	2.64	0.89
		including	421.42	475.17	53.75	0.45	0.53	0.061	3.74	1.12
CF403	-55	90	34.42	204.60	170.18	0.23	0.11	0.009	1.52	0.36
		including	38.42	89.00	50.25	0.46	0.29	0.020	3.31	0.76
CF404	-80	270	21.10	82.33	61.23	0.18	0.04	0.003	0.36	0.22
CF405	-58	90	10.90	164.00	153.10	0.23	0.03	0.016	0.92	0.34
		including	164.00	648.31	484.31	0.47	0.34	0.023	2.22	0.82
CF406	-60	90	9.44	199.95	190.51	0.21	0.04	0.008	0.75	0.28
		including	126.60	142.48	15.88	0.54	0.10	0.023	1.65	0.73

Note: Mineralized intervals reported in the above table are not true thickness

Copper equivalent calculations are based on 88% of the copper content plus 81% of the gold content, 72% of the molybdenum content and 71% of the silver content. Metal prices used for the purposes of the equivalency calculations are copper \$US2.50/pound, gold \$US1,075.00/ounce, molybdenum \$US17.00/pound and silver \$US16.10/ounce.

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The upper portions of the 2010 holes drilled through an area that was previously tested by diamond drilling. The majority of the pre-2010 holes were located to the west and did not drill deep enough to intersect the higher-grade mineralization that occurs in the lower portions of the 2010 drill holes (see Interpreted X-Section on Copper Fox website). The average grade of the lower portions of the 2010 drill holes that extended the mineralization to the east and at depth into a previously untested area is 0.447% copper, 0.327 g/t gold, 0.029% molybdenum and 2.51 g/t silver (0.81% Cu Eqv).

The 2010 drilling confirmed the continuity of the higher-grade mineralization to the east under Mount LaCasse which adds substantial potential to increase the size of the Schaft Creek deposit.

Northwest Transmission Line:

On February 23, 2011, the proposed 287-kilovolt transmission line project from the Skeena substation to Bob Quinn Lake received its environmental assessment certificate from the province of British Columbia. Due to the variation in approval processes, approval for the project from the federal government has not yet been received.

This hydro-electric transmission line is a key requirement for the advancement of the many mining projects in north western British Columbia. The proposed project is expected to supply a substantially larger amount of electrical power than is required at Schaft Creek which provides a strong level of comfort that electrical power would be available to develop the Schaft Creek deposit.

Property Acquisitions:

Subsequent to the quarter end, Copper Fox completed two separate transactions that resulted in the acquisition of two very significant, strategically located mineral properties (three mineral claims totalling 2,978 hectares (7,359 acres) located immediately north of the Schaft Creek deposit. In addition, Copper Fox also successfully negotiated the purchase of a minority interest in the shares of Liard Copper Mines Limited ("Liard") which holds a 30% NPI in the Schaft Creek project.

The acquired mineral claims cover two large zones of copper mineralization along the interpreted northern extension of the mineralized trend that hosts the Schaft Creek deposit. The reported widespread copper-gold mineralization, geology, alteration and apparent control on the mineralization on these claims show many similarities to that identified at the northern end of the Schaft Creek deposit in 2010. Based on these criteria, the potential to find another large deposit of copper-gold-molybdenum-silver to the north of the Schaft Creek deposit on the recently acquired mineral claims is considered excellent.

The significant aspects of the recent acquisitions is based on the following historical and current exploration data taken from various exploration and assessment reports filed on the acquired mineral claims between the early 1960's to 2008 are as follows:

- a) The first zone measures 1,100m long and 300m wide and contains widespread copper mineralization (bornite and chalcopyrite) exposed in argillic and propylitic altered volcanic. The 32 samples (historical and current surface grab and chip sampling) collected from within this area averaged 0.87% copper and 0.31 g/t gold, and;

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- b) The second zone measures 1,700m long and approximately 250m wide. The copper mineralization consists of bornite and chalcopyrite hosted in argillic and propylitic altered volcanic. A total of 17 (grab and chip) samples were collected from this zone in 2008 during a reconnaissance sampling program and averaged 1.24% copper, 16 g/t silver and 0.07 g/t gold.

These mineral claims are located within the Area of Interest (essentially an "Area of Mutual Interest") set out in the Teck option agreement, accordingly participation in these claims will be offered and included in the joint venture should one be negotiated with Teck (see About Copper Fox below).

The mineral claims are contiguous to the Schaft Creek project and were purchased from Pembrook Mining Corp. and from Charles James Greig and John Bernard Kreft. Total consideration paid by Copper Fox was \$600,000 cash, 1,250,000 common shares of Copper Fox and a 2% Net Smelter Return ("NSR") royalty on the mineral claims purchased subject to a "Partial NSR Buyout Option". The Partial NSR Buyout Option allows Copper Fox at any time to purchase 1% of the NSR from each of the vendors for a cash payment of \$1.5 million each.

Copper Fox acquired 26,954 shares (representing 1.47% of the issued and outstanding shares) of Liard Copper Mines Ltd. ("Liard"), a private company incorporated in British Columbia from Mrs. Mary Elizabeth Dunn for a cash payment of \$269,540 and 245,000 common shares of Copper Fox. Liard holds a 30% Net Profits Interest (NPI) in the Schaft Creek project. Teck Resources Limited ("Teck") own 78% of its issued and outstanding shares of Liard. Upon completion of a positive Feasibility Study, Copper Fox will acquire Teck's 78% interest in Liard, subject to Teck's earn-back option.

Feasibility Study:

The updated analytical database related to the historical and current work completed at Schaft Creek (including the 2010 drilling and re-sampling program) was delivered to AMEC Americas Limited (AMEC) in late February 2011. At that time AMEC resumed working on the resource estimation. AMEC has advised of an issue related to the data verification process, a mandatory procedure that is required before a resource estimate can be completed. The delay in the completion of the resource estimate, may delay completion of the feasibility study which was expected to be completed by either the end of June or mid-July 2011.

During the quarter, work on the feasibility study slowed pending receipt of the resource estimate. The majority of the work to be completed by Wardrop, a Tetra Tech Company, ("Wardrop") requires the resource estimate and accompanying block model. On receipt of the updated resource estimate and block model from AMEC, Wardrop, the main contractor for the feasibility study, will complete a reserve estimation and mine plan for the Schaft Creek project. Wardrop has completed all engineering deliverables (except for the mining and civil site). Finalization of the haul road, water diversions ditches will resume after the mine plan and pit optimization studies have been completed.

During the Quarter, Copper Fox held discussion with the owners of the bulk concentrate handling facilities to secure facilities for the shipping of bulk concentrate from the Schaft Creek project for smelting and refining. Capital costs estimates for the Schaft Creek project are being assembled with quotes from suppliers for the main components of the proposed open pit mine, milling facility and infrastructure. The capital costs are expected to be completed near the expected completion time of the feasibility study as to present a current estimate of the estimated capital costs.

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During the Quarter, the work to be completed on the feasibility study by Knight Piésold Ltd. (Geotechnical contractor) slowed considerably pending receipt of the resource estimate. On completion of the mine plan and pit optimization studies, Knight Piesold will be able to move forward and complete those portions of the feasibility study within their area of responsibility.

Resource Estimation:

The intersection of higher-grade mineralization at the north end of the Schaft Creek deposit in September 2010 provided Copper Fox the possibility of not only increasing the size of the deposit but also the possibility of increasing the overall average grade, a very important feature in improving the economics of a porphyry copper deposit. In order to include the drilling results from the higher-grade zone in the resource estimate, work on the resource estimation was temporarily delayed until all of the analytical results from the 2010 drilling and re-sampling programs were available. AMEC Americas Limited ("AMEC") received the updated database at the end of February 2011 and resumed work on the Resource Estimation. The majority of the data (generated by Asarco, Hecla, Teck) for the Schaft Creek deposit was collected between 1960 and 1985. The verification of historical data is challenging, especially in deposits with a considerable amount of historical data.

A geo-statistical analysis by AMEC showed that the correlations for copper-gold-and molybdenum analysis between the various companies that worked at Schaft Creek are acceptable and can be used in the resource estimation whereas the correlation for silver is low and unacceptable for resource estimation purposes. The analysis of the core over the past 60 years (including 2010) shows a significant concentration of silver occurs with the copper-gold-molybdenum mineralization in the Schaft Creek deposit. Initially, it was thought that the issue related to the silver could be resolved to allow inclusion of the silver in the resource estimate, however, this turned out not to be the case. The poor correlation for silver is most likely due the variation in analytical methods and detection limits used over the exploration history of the property. Notably processing of the mineralization at Schaft Creek would result in a significant portion of the silver reporting to the copper concentrate as a by-product credit.

The diamond drilling proposed to be completed in 2011 does not affect the completion date for the feasibility study on the Schaft Creek deposit which is expected to be the end of June or early July.

Environmental Assessment Application:

On February 7, 2011, Copper Fox received a Section 11 Order approving the Application Information Requirement (AIR - formerly the Terms of Reference) to meet the requirements of the cooperative environmental assessment being conducted pursuant to both the British Columbia's Environmental Assessment Act and the Canadian Environmental Assessment Act. The AIR incorporates comments from First Nations, provincial, federal and local governments and the public that were considered to be within the scope of the assessment.

The terms and conditions of the Application Information Requirement will be included in the Environmental Impact Statement/Application for an environmental assessment certificate for the Schaft Creek project currently being prepared by Stantec Consulting Ltd., on behalf of Copper Fox.

Baseline studies and the collection of additional environmental information from the Schaft Creek deposit continued during this Quarter.

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The Company is working in conjunction with provincial, federal and Tahltan Heritage Resources Environmental Assessment Team representatives to 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 fourth quarter of 2011.

Geophysical Survey:

The data collected from the two Quantec Titan-24 DCIP and MT surveys completed at Schaft Creek in 2010 are being modelled in three dimensions (3D). The 3D modelling allows for a better interpretation of the Titan-24 data which would be used to extrapolate possible extension to the Schaft Creek deposit which has not yet been tested by diamond drilling.

Future Activities:

During the next two quarters, the Company's primary objective will be to complete an updated resource estimate which will include all assay data from the 2010 diamond drilling and the re-sampling of selected historical drill holes. The expected completion date of the resource estimate has been re-scheduled to April 30, 2011. On completion of the updated resource estimate, Copper Fox plans to complete the feasibility study as soon as possible with an expected completion date of either the end of June or mid-July 2011.

A large percentage of the Schaft Creek project and the recently acquired mineral claims have not been explored using modern exploration techniques. The structural and lithologic controls on the mineralization in the Paramount Zone at the north end of the Schaft Creek deposit were defined by the diamond drilling and Titan-24 geophysical surveys completed in 2010. The same structural setting and lithologic controls are interpreted to extend to the north from the Paramount Zone onto the recently acquired mineral claims where two large zones of copper mineralization occur.

Additional water well testing is required as part of the ongoing environmental studies related to the Environmental Application process for the Schaft Creek deposit. This work is expected to commence toward the end of March 2011. Copper Fox is in the process of selecting a contractor to complete a high sensitivity airborne magnetic survey over the entire Schaft Creek property (including the recently acquired ground) to identify additional areas of porphyry style copper-gold-molybdenum-silver mineralization, structure and lithology. The decision to restrict the airborne survey to magnetics is due to the amount of overburden and the possible interference caused by operating too many geophysical systems from the same helicopter. Copper Fox has retained the services of a Titan-24 geophysical system for a period of one month to complete ground geophysical surveys should targets be identified.

Copper Fox has announced its intention to complete approximately 8 to 10 strategically located diamond drill holes to test the strike extension and more importantly to test the deep, higher grade zone of mineralization outlined by the 2010 drill program at the north end of the Schaft Creek deposit. The drilling is expected to commence in mid-May with an objective of testing the zone of higher grade mineralization from the 500m to the 800m level below surface. The first hole of the 2011 program would be the completion of DDH-406-2010 which was temporarily suspended in December 2010.

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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.

Period Overview

Revenues:

The Company has no income producing assets and has not reported any revenue from operations for any of the quarters ended January 31, 2011, January 31, 2010 or January 31, 2009. The Company is considered to be in the exploration and development stage.

Expenses:

A comparison of the expenses incurred by Copper Fox for the periods ended January 31, 2011, January 31, 2010 and January 31, 2009 are set out below. During the period ended January 31, 2011 Copper Fox incurred expenses of \$358,211 compared to \$446,822 for the period ended January 31, 2010 and \$29,135,359 for the period ended January 31, 2009.

	2011	2010	2009
Expenses:			
Administration	\$ 193,070	\$ 147,079	\$ 157,106
Amortization and accretion	28,955	34,327	41,828
Mineral property write down	-	-	31,000,000
Professional fees	73,560	104,593	72,681
Processing fees	28,430	18,136	5,214
Rent	8,188	7,559	12,774
Stock based compensation	4,983	119,031	(5,291)
Travel	21,142	25,934	19,063
Exchange (gain)/loss	(117)	(9,607)	-
Interest income	-	(230)	(370)
Net loss	358,211	446,822	31,303,005
Future income tax reduction	-	-	(2,167,646)
	\$ 358,211	\$ 446,822	\$ 29,135,359

The decrease in expenditures from 2010 to 2011 is primarily related to stock based compensation, which does not affect the cash flow of the Company, and a decrease in administration fees. The decrease in expenditures from 2009 to

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2010/2011 is primarily related to the write down of the mineral property. The write down does not affect the cash flow of the Company.

Loss:

Copper Fox incurred a net loss and comprehensive loss for the period ended January 31, 2011 of \$358,211 (2010 - \$446,822), (2009 - \$29,135,359). The loss 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 quarter ended January 31, 2011 was 363,059,457 (2010 – 242,441,587) common shares. 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 period ended January 31, 2011 was (\$0.00) compared to a loss per share of (\$0.00) for the period ended January 31, 2010 and (\$0.26) for the period ended January 31, 2009. The large difference in loss per share for the period ended January 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 period ended January 31, 2011 of \$358,211 compared to a loss of \$446,822 for the period ended January 31, 2010 and a loss of \$29,135,359 for the period ended January 31, 2009. Included in the loss is \$4,983 (2010 – \$119,031), (2009 – (\$5,291)) of stock based compensation charges, \$28,955 (2010 - \$34,327), (2009 - \$41,828) of amortization and accretion and Nil (2010 - Nil), (2009 – \$31,000,000) of mineral property write down which do not affect the cash flow of the Company. Cash flow from operations for the period was (\$374,616) compared to (\$1,017,670) for the period ended January 31, 2010 and \$777,085 for the period ended January 31, 2009.

Total Assets:

Total assets of the Company at January 31, 2011 are \$26,836,829 (October 31, 2010 - \$23,749,503), (October 31, 2009 - \$13,555,763) which is the carrying value of Copper Fox's investment in the Schaft Creek project. Since 2005, Copper Fox has incurred \$58.1 million to date 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.

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Selected Financial Information

	Net Loss	Net (loss)/income per share - basic and diluted
<u>2011</u>		
First Quarter	\$ (358,211)	\$ 0.00
<u>2010</u>		
Fourth Quarter	\$ (421,346)	\$ 0.00
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

The gain in the fourth quarter of 2009 is due to a reversal of future income tax expense of \$2,451,266.

Liquidity and Capital Resources:

The Company's working capital deficiency, defined as current assets less current liabilities, was \$305,904 at January 31, 2011. The Company has sufficient funds available to meet its current obligations.

During the period, the Company completed private placements for total proceeds of \$4,005,000, 525,000 options were exercised for total proceeds of \$144,900 and a Director loaned \$1,500,000 to the Company. The loan bears no interest and there are no fixed terms of repayment. In addition, the Company completed a private placement in March for total proceeds of \$3,750,000.

The Company has in place a budgeting process to help determine the funds required for the completion of the feasibility study. To date, the Company has spent \$58.1 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 or through the public market as 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.

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Off Balance Sheet Arrangements:

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. At January 31, 2011, there is \$15,000 remaining to be paid against this commitment.

The Company has a commitment with respect to its office leases in Calgary and Vancouver as follows:

Period	2011	2012	2013	2014
Amount	\$ 103,062	\$ 140,088	\$ 113,826	\$ 18,406

Related Party Transactions:

During the quarter ended January 31, 2011 directors and officers of the Company incurred \$162,500 (2010 - \$127,568) for management and technical services on behalf of the Company. In addition, \$71,559 of legal fees were paid during the quarter ended January 31, 2011 (2010 – \$28,478) to a law firm of which one of the Company's Directors is a partner. At January 31, 2011 \$24,034 (2009 – \$11,427) is included in accounts payable for legal fees.

Also, the Company paid a securities firm, of which one of the Company's Directors is an Officer and Director, \$120,150 and issued 133,500 broker warrants (exercisable at \$0.75 and expiring on December 15, 2012) for finder's fees in relation to the equity private placement which closed on December 15, 2010.

In addition, during the quarter a Director loaned the Company \$1,500,000. The loan bears no interest and has no fixed terms of repayment. These transactions were recorded at the exchange amount agreed to by the related parties.

Mineral Property:

As of March 29, 2011, the Company has incurred \$58.1 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 \$24,478,880, an increase of \$3,055,491 from October 2010. 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.

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A comparison and details of these expenditures related to the Schaft Creek project for 2009, 2010 and 2011 are as follows:

	Expenditures November 1, 2010 to January 31, 2011	Expenditures November 1, 2009 to October 31, 2010	Expenditures November 1, 2008 to October 31, 2009
Drilling Program/camp activities	\$ 2,055,341	\$ 4,520,022	\$ 173,034
Environmental Program	158,682	1,688,798	424,208
Feasibility Study	421,927	3,270,241	844,558
Social License	16,201	138,924	52,594
Geology, Engineering, Metallurgy	57,817	1,190,290	221,835
Testing, Assaying, Mapping, Etc.	287,813	470,200	36,071
Miscellaneous	57,710	239,029	37,332
Tax benefit - Capital Compensation/ARO	-	50,336	93,958
	\$ 3,055,491	\$ 11,567,840	\$ 1,883,590

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:

In February 2008 the Canadian Accounting Standards Board confirmed that Canadian publically accountable enterprises will be required to adopt International Reporting Standards ("IFRS") for financial quarters beginning on and after January 1, 2011. Accordingly, the Company which has an October 31 fiscal year end, will be required to present its financial statements in accordance with IFRS for its fiscal year beginning November 1, 2011, including 2010 IFRS compliant comparative financial results.

Below is a summary of the Company's preliminary views of the key areas where changes in accounting policies are expected that may impact the Company's financial statements. The list and comments below should not be regarded as a complete list of changes that will result from the transition to IFRS. It is intended to highlight those areas the Company believes to be most significant; however, analysis of changes is still in progress and not all decisions have been made

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where choices of accounting policies are available. At this stage, the Company has not quantified the impacts expected on its financial statements for these differences.

1. Property plant and equipment
2. Impairment testing
3. Asset retirement obligations
4. Future income taxes
5. Stock based compensation.

External advisors have been retained and will assist management with the conversion project on an as needed basis to ensure IFRS readiness by November 1, 2011.

Throughout 2011, the Company will continue to document and define its IFRS accounting policies and the Company will start to evaluate the financial impact of IFRS on its financial statements. The Company will also continue to monitor standards development as issued by the International Accounting Standards Board ("IASB") and the AcSB as well as regulatory developments as issued by the Canadian Securities Administrators, which may affect the timing, nature or disclosure of its adoption of IFRS.

In the first quarter of 2011, no changes were made to the Company's IFRS transition plan and, as expected, limited progress was made on implementing the plan due to the time constraints created by the completion of year end audit followed by first quarter reporting deadlines. It is expected that progress on the plan will start up again in the second quarter of 2011.

Share Capital

The Company has 372,582,556 shares, 1,760,333 warrants and 11,495,000 options outstanding as of the effective date of this MD&A of March 29, 2011.

Subsequent Event

In March 2011 the Company completed a non-brokered private placement financing of \$3,750,000 in flow through funds (the "Offering").

The Offering consisted of 3,000,000 flow-through units at a price of \$1.25. Each unit consisted of one flow through common share and one half of a non-flow through purchase warrant. One full purchase warrant plus \$1.50 entitles the holder to purchase a Copper Fox common share until expiry on December 31, 2011. In the event Copper Fox trades above \$1.65 for ten (10) consecutive days, the purchase warrants, if unexercised, will expire 30 days thereafter. Also, the Company paid a securities firm, of which one of the Company's Directors is an Officer and

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Director, \$243,750 and issued 195,000 broker warrants (exercisable at \$1.25 and expiring on March 16, 2012) for finder's fees.

Funds generated from this financing will be used to toward completing the Updated Resource Estimate and Feasibility Study at Schaft Creek.

Basis of Presentation

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

Cautionary Note Regarding Forward-Looking Information

This Management's Discussion and Analysis (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 include statements about anticipated analytical results of the core sampling of current diamond drill holes and historical diamond drill holes; the possible higher grade starter pit; the nature of the previously identified chargeability anomaly; the scope of mineralization identified in testing of recent IP anomalies; the potential depth of mineralization; future drilling potential at Schaft Creek; the timing and availability of assay results; the timing and anticipated results of the proposed updated resource estimate; the timing and scope of the feasibility study for the Schaft Creek project; the timing, approvals and anticipated results of an Environmental Assessment Application for the Schaft Creek project; the timing and possibility of completing a high sensitivity airborne geophysical survey; estimated timing and amounts of future expenditures and "earn-back" options; geological interpretations and potential mineral recovery processes. 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.

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 obtaining of an Environmental Assessment Certificate; and the continued financing of the Feasibility Study; and the anticipated analytical results of the current drilling program. 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 be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: anticipated assays results may not prove expected extensions of mineralization on a timely basis, or at all; the Feasibility Study may not be completed within the contemplated time frame, or at all; the possibility that the analytical results from the core sampling does not return significant grades of copper mineralization; the possibility that future drilling on the Schaft Creek project may not occur on a timely basis, or at all; the possibility that an Environmental Assessment Certificate may not be obtained on a timely basis, or at all, or that additional approvals will be necessary in order to obtain an Environmental Assessment Certificate; 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, and estimated economic return; 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 any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.