

COPPER FOX METALS INC

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED APRIL 30, 2011

June 29, 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 and six months ended April 30, 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 12). The effective date of this MD&A is June 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. The Schaft Creek property comprising 21,025 hectares (51,954 acres) is subject to certain royalty agreements, a 30% carried net proceeds interest held by Liard Copper Mines Limited ("Liard") and an earn back option held by Teck Resources Limited ("Teck"). Copper Fox is currently earning a 78% interest in Liard from Teck. Teck's earn back option to acquire either, 20%, 40% or 75%, of Copper Fox's interest in the Schaft Creek property 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 (approximately \$59.7 million to April 30, 2011 – excluding \$2.88 million of new property acquisitions) and arrange for property financing, including the Copper Fox portion. For full details of the option please refer to the Company's website www.copperfoxmetals.com.

In early, 2011, the Company acquired mineral claims located adjacent to the Schaft Creek property totalling 2,978.5 hectares (7,360 acres) which 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. The Company is currently completing a legal review of the underlying agreements related to the Schaft Creek property to determine if these mineral claims are subject to the Teck Option Agreement dated January 2, 2002.

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.

Schaft Creek –Exploration Potential

The results of the Titan-24 geophysical surveys and the higher-grade copper-gold mineralization intersected at depth below the Paramount zone in 2010 demonstrated potential to increase not only the size of the Schaft Creek deposit but also the possibility to increase the overall average grade of the deposit. Porphyry deposits such as Schaft Creek usually

occur with other deposits in an area referred to as Porphyry Districts that typically exhibit strong lithologic and regional scale structural controls.

The exploration of the Schaft Creek property over the past 50 years was limited to the area immediately around the Schaft Creek deposit. The 2011 exploration program for the Schaft Creek property is based on two premises; i) the size of the Schaft Creek deposit and the potential to increase its size as identified by the 2010 geophysical and drilling results and ii) the potential that other porphyry deposits could occur within the Schaft Creek property in the area around the Schaft Creek deposit (the Schaft Creek mineral trend).

In early 2011, Copper Fox acquired three mineral tenures immediately adjacent to the Schaft Creek property that at the time looked similar to the Paramount zone of the Schaft Creek deposit and were interpreted to have excellent potential to host significant copper-gold mineralization. The Schaft Creek mineral trend (approximately 15 kilometre long zone of favourable rocks, alteration and mineralization) which hosts the large Schaft Creek deposit, two large zones of copper-gold mineralization exposed in outcrop and a large chargeability anomaly adds significant potential to find additional porphyry style copper deposits within the Schaft Creek property.

The Schaft Creek mineral trend is the focus of the 2011 exploration program. The main objectives in 2011 will be to continue drilling the higher grade mineralization (located in 2010) in the Paramount zone and test the large chargeability anomaly that extends from the area of current drilling to the east under Mount LaCasse, a distance of approximately 500 m. In addition, exploration, including Titan-24 surveys and drilling of the large chargeability anomaly and the ES and GK zones of copper-gold mineralization are also planned. The recently completed high resolution airborne magnetic survey has demonstrated that there is a positive magnetic signature associated with the Schaft Creek deposit and the ES and GK zones of copper mineralization. In addition to this, the survey identified three previously unknown positive magnetic features that require preliminary mapping and sampling to determine the source of the magnetic signature.

Feasibility Study – Strategy:

Porphyry deposits are large long life projects that are mined over a number of decades. The valuation method commonly used to determine the value of these deposits is the discounted cash flow method, which essentially takes the estimated annual cash flow (after deducting operating expenses) and discounts it by a fixed percentage over the life of the mine. Using this method, the longer the mine life, the lower the estimated Net Present Value (NPV). It is essential in long life projects to recover the initial capital expenditures as soon as possible. In order to accelerate the recovery of the capital expenditure the proposed mine plan would, if possible, start with a higher-grade starter pit followed by mining and processing of better grade mineralization to maximize the cash flow leaving the lower grade material to be mined and processed at the end of the mine life.

In addition, a higher grade resource also influences the average grade of the reserve used in a feasibility study. When considering the preparation of a feasibility study, the main objective is to maximize cash flow in the first seven to 10 years of mine life. This is normally achieved by using a higher cut-off grade which, although lowering the resource, increases the average grade of the metals. The resources remaining in the deposit, but not included in the resource estimate due to selecting a higher grade cut-off, would be mined at a later date.

Management Changes:

During the quarter, the Company announced the resignation of Murray Hunter, its Chief Financial Officer, for personal reasons. The Company would like to record its appreciation to Mr. Hunter for his contribution to Copper Fox since its inception some seven years ago. Ms. Catherine Henderson was appointed interim Chief Financial Officer of Copper Fox.

Highlights

During the quarter AMEC Americas Limited ("AMEC") completed a substantial amount of work toward completing the resource estimate. No field work was completed in the quarter. Subsequent to the quarter ended April 30, the high resolution airborne magnetic survey was completed. 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 six months ended April 30, 2011, the Company received \$10,239,199 (net of costs) in proceeds on private placements and the exercise of warrants and options. The Company incurred an additional \$4,853,726 of capital expenditures related to the Schaft Creek property. It also acquired two very significant mineral properties and shares of Liard.

Subsequent to the Quarter Activities:

- a) Copper Fox has received from AMEC the tables setting out, at various copper cut-off grades, the tonnes and average metal grades in each resource category for the Updated Resource Estimate and Block Model. Copper Fox is currently reviewing the data with a view of releasing the results of the Updated Resource Estimate as soon as possible. The Resource Estimation report will be filed on SEDAR within the next 45 days,
- b) The airborne magnetic survey identified a 20 kilometre long linear positive magnetic feature. The Schaft Creek deposit and the ES and GK zones of copper mineralization all show a positive magnetic signature and occur immediately adjacent to this positive magnetic feature,
- c) The airborne magnetic signature over the Schaft Creek deposit correlates well with the Quantec Titan-24 DCIP and MT survey results (see news release dated November 16, 2010) and suggests that the Schaft Creek deposit could extend for an additional 1,000 metres to the south, and
- d) Diamond drill DDHCF407-2011 located in the Paramount zone intersected visible copper and molybdenum mineralization over a core interval from 5.3 m to 653 m and extended the mineralization approximately 125 m to the east towards Mount LaCasse. The second drill has arrived on the property and is currently drilling on the Paramount zone.

Airborne Magnetic Survey:

The high resolution airborne magnetic survey has identified a number of significant structural features which are believed to increase the exploration potential of the remainder of the Schaft Creek property. The magnetic survey has

identified a potential area of "exploration interest" that measures approximately 4 kms wide by 20 kms long located within the Schaft Creek property.

The area of "exploration interest" is an elliptical shaped zone that is bounded on both sides by narrow, linear, positive TF and CVG magnetic signatures that are interpreted to be regional scale faults. The Schaft Creek deposit, the ES and GK zones of copper mineralization and the recently identified Schaft Creek mineral trend are located immediately adjacent to a 20 kilometre long positive magnetic feature located on the west side of the area of "exploration interest".

The TF and CVG magnetic signatures and the Titan-24 DCIP and MT chargeability anomaly at the south end of the Schaft Creek deposit exhibit an excellent correlation. The TF and CVG magnetic signatures suggest that the Schaft Creek deposit could extend to the south for an additional 1,000 m. This area has not yet been surveyed by the Titan-24 system. The chargeability anomaly and the magnetic signatures in this area have approximately the same width.

The TF and CVG data has outlined three other previously unknown positive magnetic features within the area of "exploration interest". Preliminary mapping and sampling of these targets to identify the source of the magnetic signature will be completed.

2011 Diamond Drilling Program:

Two diamond drills are currently working on the Paramount zone of the Schaft Creek deposit. DDHCF407-2011 (azimuth 090, dip-70 to the east) was completed with a core length of 735 m (vertical depth of 550 m). Visible copper mineralization (chalcopyrite and bornite) was continuously observed in the core from the start of bedrock of 5.3 m to a depth of 653 m. Molybdenum mineralization was also observed throughout this interval. The copper mineralization is hosted in potassic and argillic altered intrusive breccia, granodiorite, quartz feldspar porphyry and andesite. Both drills are being used to test the coincident large chargeability anomaly and higher grade zone of mineralization located to the east under Mount LaCasse.

Updated Resource Estimate:

Copper Fox has received from AMEC the tables setting out at various copper cut-off grades the tonnes and average metal grades in each resource category for the Updated Resource Estimate and Block Model. The Resource Estimation report is expected to be received within 45 days and will be filed on SEDAR on receipt thereof. Copper Fox is currently reviewing the data to identify the correct base case for the copper cut-off grade and tonnes from the resource estimate to be used in the forthcoming feasibility study which is being completed by Wardrop. Our objective is to select a base case that provides optimal economics to achieve an early payout of the capital expenditures and at the same time maximizes the cash flow from the deposit over the first 7-10 year period. Copper Fox now can move forward to complete the Feasibility Study and the Environmental Assessment Application for the development of the Schaft Creek property.

Feasibility Study:

During the quarter, work on the feasibility study slowed considerably pending receipt of the resource estimate. Now that the information related to the resource estimate has been received, Wardrop, a TETRA TECH Company, the main contractor for the feasibility study, will use this information to complete an open pit mine plan and estimate reserves for the Schaft Creek deposit. Finalization of the haul road and water diversion ditches will resume after the mine plan and pit optimization studies have been completed.

Bulk Concentrate Handling:

The discussions with the owners of the bulk concentrate handing facilities at the Port of Stewart, British Columbia to secure facilities for the shipping of bulk concentrate from the Schaft Creek deposit for smelting and refining are progressing well.

Environmental Studies:

During the quarter, additional water sampling was completed at Schaft Creek to obtain additional baseline data. This work will continue on a quarterly basis over the next 12 months. Knight Piesold Ltd., the geotechnical contractor to the feasibility study has been retained to complete the additional sampling.

Future Activities:

Copper Fox plans to complete the feasibility study as soon as possible with an expected completion date during the fourth quarter of 2011 due to summer holidays and the general robust activity in the mineral industry. The delay in receiving the resource estimate has slowed considerably the work required to complete the remaining portions of the feasibility study.

The focus at Schaft Creek over the next three months will be to:

- a) drill test the strike and depth continuity of the coincident large chargeability anomaly and zone of higher grade zone of mineralization intersected in 2010 on the Paramount zone,
- b) the upper portion of some of the drill holes will concentrate on an area that measures approximately 600 m long by 300 m wide and 200 m deep to define the continuity of the mineralization and the average grade of the metals within this zone. The majority of the drill holes will test the continuity of the mineralization at depth and to the east,
- c) explore the large chargeability anomaly (now referred to as the Mike zone) located north of the Paramount zone and the ES and GK zones of copper mineralization using the Titan-24 geophysical system. The southern portion of the Schaft Creek deposit exhibits a broad chargeability that remains open to the south, and is being considered for additional work by the Titan-24 system,
- d) diamond drill testing of the Mike, the ES and GK zones with at least one or two drill holes on each zone. Contingent on results and funding, additional holes may be drilled in each of these zones, and
- e) preliminary mapping and sampling of three areas with a positive magnetic signature located at the north end and on the eastern side of the area of "exploration interest".

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 April 30, 2011, April 30, 2010 or April 30, 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 April 30, 2011, April 30, 2010 and April 30, 2009 are set out below. During the period ended April 30, 2011 Copper Fox incurred expenses of \$2,378,649 compared to \$309,067 for the period ended April 30, 2010 and \$431,763 for the period ended April 30, 2009.

	2011	2010	2009
Expenses:			
Administration	\$ 286,337	\$ 165,446	\$ 215,415
Amortization and accretion	28,786	33,967	39,647
Professional fees	170,962	58,316	150,003
Processing fees	70,804	17,630	14,074
Rent	7,723	6,872	5,007
Stock based compensation	1,765,758	4,983	-
Travel	48,279	21,853	7,625
Interest income	-	-	(8)
Net loss	\$ 2,378,649	309,067	431,763

The increase in expenditures from 2010 to 2011 is primarily related to stock based compensation, which does not affect the cash flow of the Company.

Loss:

Copper Fox incurred a net loss and comprehensive loss for the three and six months ended April 30, 2011 of \$2,378,649 (2010 - \$309,067) and \$2,736,860 (2010 - \$755,889).

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 six months ended April 30, 2011 were 367,998,402 (2010 - 248,331,979) and 364,958,388 (2010 - 246,327,123) 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 three and six months ended April 30, 2011 was (\$0.01) compared to a loss per share of (\$0.00) for the three and six months ended April 30, 2010.

Cash Flow and Loss:

Copper Fox reported a loss for the three and six months ended April 30, 2011 of \$2,378,649 (2010 - \$309,067) and \$2,736,860 (2010 - \$755,889). Included in the loss is \$1,765,758 (2010 - \$4,983) and \$1,770,742 (2010 - \$124,015) of stock based compensation charges, \$28,786 (2010 - \$33,967) and \$57,741 (2010 - \$68,294) of amortization and accretion which do not affect the cash flow of the Company. Cash flow from operations for the quarter was (\$751,278) compared to (\$35,644) for the period ended April 30, 2010. Most of the increase in loss from operations relates to legal and security fees paid in relation to property acquisitions and private placements completed in the quarter.

Total Assets:

Total assets of the Company at April 30, 2011 are \$36,029,667 (October 31, 2010 - \$23,749,503). Since 2005, Copper Fox has incurred \$59.7 million (excluding \$2.88 million in new property acquisitions) to April 30, 2011 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>2011</u>		
Second Quarter	\$ (2,378,649)	\$ (0.01)
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

The gain in the fourth quarter of 2009 is due to a reversal of future income tax expense of \$2,451,266. The loss in the second quarter of 2011 includes \$1,765,758 and of stock based compensation charges and \$28,786 of amortization and accretion which do not affect the cash flow of the Company

Liquidity and Capital Resources:

The Company's working capital, defined as current assets less current liabilities, was \$3,355,887 at April 30, 2011. The Company has sufficient funds available to meet its current obligations.

During the period, the Company completed private placements for total proceeds of \$7,755,000, 1,435,000 options were exercised for total proceeds of \$675,750, 1,548,665 warrants were exercised for total proceeds of \$2,286,499 and a Director loaned \$1,500,000 to the Company. The loan is unsecured, bears no interest and there are no fixed terms of repayment.

The Company has in place a budgeting process to help determine the funds required for the completion of the feasibility study. To April 30, 2011, the Company has spent \$59.7 million (excluding \$2.88 million in new property acquisitions) 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.

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 April 30, 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	Jun 1, 2011 - Oct 31, 2011	Nov 1, 2011 - Oct 31, 2012	Nov 1, 2012 - Oct 31, 2013	Nov 1, 2013 - Jun 30, 2014
Amount	\$ 94,364	\$ 140,088	\$ 113,826	\$ 18,406

Related Party Transactions:

During the three and six months ended April 30, 2011 directors and officers of the Company incurred \$162,500 (2010 - \$176,250) and \$359,650 (2010 - \$356,250) for management and technical services on behalf of the Company. In addition, \$71,559 (2010 - 28,478) and \$195,586 (2010 - \$50,396) of legal fees were paid during the three and six months ended April 30, 2011 to a law firm of which one of the Company's Directors is a partner. At April 30, 2011 \$27,250 (2010 - \$23,000) is included in accounts payable for management and technical services and \$124,027 (2010 - \$21,918) 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; (1) \$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 and; (2) \$243,750 and issued 195,000 broker warrants (exercisable at \$1.25 and expiring on March 16, 2012) for finder's fees in relation to the equity private placement which closed on March 16, 2011.

In addition, during the period 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 April 30, 2011, the Company has incurred \$59.7 million (excluding \$2.88 million in new property acquisitions) 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 property 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 property financing including that of Copper Fox.

Copper Fox's balance sheet shows a carrying value of the Schaft Creek Property to be \$26,277,115, an increase of \$4,853,726 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 Property 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 property for 2009, 2010 and 2011 are as follows:

	Expenditures November 1, 2010 to April 30, 2011	Expenditures November 1, 2009 to October 31, 2010	Expenditures November 1, 2008 to October 31, 2009
Drilling Program/camp activities	\$ 2,518,346	\$ 4,520,022	\$ 173,034
Environmental Program	370,144	1,688,798	424,208
Feasibility Study	581,624	3,270,241	844,558
Social License	70,836	138,924	52,594
Geology, Engineering, Metallurgy	219,137	1,190,290	221,835
Testing, Assaying, Mapping, Etc.	426,979	470,200	36,071
Miscellaneous	79,735	239,029	37,332
Tax benefit - Capital Compensation/ARO	586,925	50,336	93,958
	\$ 4,853,726	\$ 11,567,840	\$ 1,883,590

The Preliminary Feasibility Study ("PFS") on the Development of the Schaft Creek Property 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 property 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 Property 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 Financial Reporting Standards ("IFRS") for financial quarters beginning on and after January 1, 2011. Accordingly, the Company which has an October 31 fiscal yearend, 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 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 property 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.

Share Capital

The Company has 374,401,054 shares, 321,833 warrants and 11,310,000 options outstanding as of the effective date of this MD&A of June 29, 2011.

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 the timing and completion of a feasibility study; the chargeability anomalies at the Schaft Creek project, the scope and timing of work on the outstanding sections of the feasibility study; the release of the updated resource estimate; expected capital requirements to continue planned activities; expected sources and the adequacy of required capital resources; the results and interpretation of the high resolution airborne magnetic survey over the Schaft Creek project; the timing and scope of expected diamond drilling; the completion of the Feasibility Study and Environmental Assessment application for the development of the Schaft Creek project; potential existence and size of mineralization within the Schaft Creek project; 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 interpretation of the results of the high resolution airborne magnetic survey over the Schaft Creek project; 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; 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: the feasibility study may not be completed within the expected timeframe, or at all; the updated resource estimate may not be completed and released within the expected timeframe, or at all; the actual mineralization in the Schaft Creek deposit may not be as favourable as suggested by the interpretation of the results of the high resolution airborne magnetic survey; another deposit may never be discovered on Copper Fox's property, or contain anticipated mineralization, or mineralization of any significance at all; the Feasibility Study or the Environmental Assessment 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; 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.