Management's Discussion and Analysis of Financial Condition and Results of Operation

For the Three and Nine Months Ended July 31, 2019 and 2018

As at September 5, 2019

1. 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 consolidated financial statements for the three and nine months ended July 31, 2019 and the related notes thereto.

All of the Company's material subsidiaries are wholly owned except for District Copper Corp. ("**District"** or **"District Copper"**) (**TSX-V: DCOP**), of which the Company owns 24.43% of the outstanding common shares as at September 5, 2019. Accounting policies are applied consistently throughout all consolidated entities.

Technical and corporate information contained in this MD&A has previously been disseminated by way of news releases and are 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 3).

All amounts expressed are in Canadian dollars unless otherwise stated. The MD&A is current as of September 5, 2019 and was reviewed, approved and authorized for issue by the Company's Audit Committee on behalf of the Company's Board of Directors on the aforementioned date.

Description of Business

Copper Fox is a Canadian based resource company with a Tier 1 listing on the TSX Venture Exchange (**TSX-V: CUU**). The Company is focused on the exploration and development of copper projects in North America. The Company maintains its head office at Suite 650, 340 – 12th Avenue SW, Calgary, Alberta.

Copper Fox's wholly-owned subsidiaries are Desert Fox Copper Inc. ("**Desert Fox**") and Northern Fox Copper Inc. ("**Northern Fox**"). Desert Fox has an office space in Miami, Arizona and holds the US assets of the Company and Northern Fox holds the investment in District Copper. Copper Fox's primary assets are its 25% interest in the Schaft Creek Joint Venture (**"SCJV"**) with Teck Resources Limited ("**Teck**") on the Schaft Creek copper-gold-molybdenum-silver project located in northwestern British Columbia, its 100% owned Van Dyke, Sombrero Butte and Mineral Mountain copper projects and the Eaglehead copper-molybdenum-gold project through its investment in associate interest in District Copper.

The Company established Desert Fox and Northern Fox in order to manage all future exploration and development activities, including any equity or working interest acquired in other mineral projects within North America. Desert Fox's wholly-owned subsidiaries; Van Dyke, Sombrero Butte and Mineral Mountain, all hold mineral tenures located in Pinal and Gila Counties, Arizona which are all located in the Laramide age porphyry copper belt in Arizona. To date the Company has not earned revenues from any of these activities and these projects are still considered to be in the exploration and development stage.

As at the date of this MD&A, Copper Fox's directors and officers are as follows:

Directors	**Officers and Position**
Elmer B. Stewart (Chairman)	Elmer B. Stewart, President and Chief Executive Officer
R. Hector MacKay-Dunn	Braden Jensen, Chief Financial Officer
J. Michael Smith	J. Michael Smith, Corporate Secretary
Ernesto Echavarria	
Erik Koudstaal	

Audit Committee	**Corporate Governance and Nominating Committee**	**Compensation Committee**
Erik Koudstaal (Chairman)	Elmer B. Stewart	R. Hector MacKay-Dunn
J. Michael Smith	Erik Koudstaal	J. Michael Smith
Ernesto Echavarria	R. Hector MacKay-Dunn	Ernesto Echavarria

Qualified Person

Mr. Elmer B. Stewart, MSc. P. Geol., President and CEO of the Company, is the qualified person as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") who has reviewed and approved all technical and scientific disclosure contained in this MD&A regarding the Company's mineral properties. Mr. Stewart is not independent of the Company.

2. FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "*forward-looking statements*" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this MD&A and the Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable laws.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral resource and mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. This MD&A contains forward-looking statements which reflect management's expectations and goals, as well as statements with respect to our belief, plans, objectives, expectations, anticipations, estimates and intentions. The words "may", "will", "continue", "could", "should", "would", "suspect", "outlook", "believes", "plan", "anticipates", "estimate", "expects", "intends" and words and expressions of similar import are intended to identify forward-looking statements.

Forward-looking statements include, without limitation, information concerning possible or assumed future results of the Company's operations. These statements are not historical facts and only represent the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration and development activities and commitments and future opportunities. Although management considers those assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict, therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

By their very nature, forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, and readers are advised to consider such forward-looking statements in light of the risk factors set forth below and as further detailed in the "*Risks and Uncertainties*" section of this MD&A.

These risk factors include, but are not limited to, fluctuation in metal prices which are affected by numerous factors such as global supply and demand, inflation or deflation, global political and economic conditions; the Company's need for access to additional capital to explore and develop its projects; the risks inherent in the exploration for and development of minerals including the risks of estimating the quantities and qualities of minerals, operating parameters and costs, receiving project permits and approvals, successful construction of mining and processing facilities, and uncertainty of ultimate profitability of mining operations; risks of litigation and other risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on any forward-looking statements in this MD&A to make decisions with respect to the Company, investors and others should carefully consider the risk factors set out in this MD&A and other uncertainties and potential events.

3. NINE MONTHS ENDED JULY 31, 2019 HIGHLIGHTS AND SIGNIFICANT EVENTS

- On November 21, 2018 Copper Fox and its wholly owned subsidiary, Desert Fox, provided an update of the sampling program on four areas of its 100% owned Mineral Mountain copper project, indicating that mineralized areas have been extended and remain open and that 179 of the 278 new copper showings located during Phase-2 were sampled.

- On November 29, 2018 Copper Fox and its wholly owned subsidiary, Desert Fox, provided additional analytical results for its 100% owned Mineral Mountain copper project. A large area of copper-molybdenum mineralization has been located in Area #1 with molybdenum concentration of up to 0.2% and the limits of the copper mineralization in Area #1 and Area #3 has been extended and remains open in several directions. Two new areas of significant copper mineralization have been located in the Laramide age intrusive.

- On December 14, 2018, District Copper received conditional TSX:V approval for its proposed acquisition of a 100% interest in the Stony Lake Property. To acquire the project, District Copper issued 40,000,000 of its common shares to the current owners. The Project is subject to a 2% NSR, if the price of gold is US $2,000/oz. or less and a 3% NSR if the price of gold is above US $2,000/oz.

- On December 19, 2018. Copper Fox and its wholly owned subsidiary, Desert Fox, provided the final analytical results on its 100% owned Mineral Mountain copper project. The analytical results show that the previously designated Area #1 and Area #3 are part of the same mineralized area with copper mineralization extending over a horizontal distance of 4,500m by up to 2,000m wide. The sampling results continue to outline high grade copper mineralization within the mineralized area primarily due to abundant chalcocite. The sampling program also located molybdenum concentrations of up to 0.022%.

  The secondary copper minerals and trace element geochemistry, combined with abundant mineralized outcrop containing chalcocite, supports the presence of a Leach Cap; a feature typically located above porphyry deposits in arid and semi-arid climates. The data suggests that the interpreted copper-molybdenum portion of the porphyry system is closer to surface than previously interpreted.

- On January 16, 2019. Copper Fox and its wholly owned subsidiary, Desert Fox, provided a compilation of results for the recently completed mapping and sampling program on its 100% owned Mineral Mountain copper project.

  The compilation outlined a Laramide age porphyry system with two separate targets; designated Area #1 and Area #2. Area #1 measures 4,500m long by up to 2,000m wide that hosts three zones of disseminated copper-molybdenum mineralization, the largest of which measures approximately 1,000m long by 350-450m wide. The higher concentrations of molybdenum are associated with the largest area of disseminated copper mineralization and coincides with a positive chargeability anomaly outlined in 1971. Area #2 measures 2,800m long and averages 400m wide and is characterized by quartz vein and fracture hosted copper mineralization with significantly lower concentrations of molybdenum than recorded in Area #1.

- On January 23, 2019 Copper Fox and its wholly owned subsidiary, Desert Fox announced that it completed a sampling program to re-analyze pulp samples and re-sample certain drill core intervals from historical diamond drill holes used to define the Van Dyke In-Situ Leach (**"ISL"**) oxide copper deposit located in Miami, Arizona. The samples are being analyzed for total copper and acid and cyanide soluble copper analysis.

- On February 8, 2019, District Copper issued 5,900,000 flow-through units and 5,900,000 non-flow-through units at a cost of $0.05 each per unit, pursuant to a private placement, for gross proceeds of $590,000. Each flow-through unit consists of one common share and one-half share purchase warrant, which can be exercised at $0.075 until August 8, 2020. Each non-flow-through unit consists of one common share and one share purchase warrant, which can be exercised at $0.05 until August 8, 2020.

The warrants have an early acceleration provision wherein the warrants will become callable on 21 days' notice in the event the Company's shares trade at a price of $0.12 per share or greater for a 14-day trading period at any time after June 9, 2019.

Finders' fees of 200,000 shares and 300,000 warrants exercisable at $0.05 until August 8, 2020 and legal fees of $21,025 were paid with respect to this financing.

- On February 8, 2019, District Copper issued 40,000,000 shares to compete the Stony Lake acquisition (see August 15, 2018 news release). This issuance of shares further diluted Copper Fox's ownership percentage of District Copper from 39.51% to 24.43%. This significant reduction in equity ownership resulted in Copper Fox's loss of control of District Copper. As a result, District Copper has been deconsolidated from Copper Fox's financial statements and will instead be recorded as an equity accounted associate pick up.

- On February 8, 2019, the SCJV approved a $2.1 million budget for the Schaft Creek copper-gold-molybdenum project located in northwestern British Columbia. The 2019 work plan includes the completion of the sizing and infrastructure alternatives study initiated in 2018 and completion of a more in-depth conceptual study to confirm the identified scenarios to lower capital and operating costs, infrastructure and further define access options as well as strengthening the Schaft Creek project management team. Field studies include investigating the geotechnical characteristics of a tailings management facility, collection of baseline environmental data and ongoing engagement with the Tahltan Nation.

- On February 19, 2019, the Company announced partial analytical results from its Van Dyke deposit. The weighted average grade in four of the six drill holes reported returned from 6% to 85% higher acid soluble copper concentrations and thicker mineralized intervals than that recorded in the original project data base. The mineralized intervals in three of the six holes are open at depth and additional sampling to determine the thickness of these mineralized intervals is required.

- On February 28, 2019, Copper Fox announce additional analytical results from its Van Dyke deposit. The four drill holes reported show increased acid soluble copper (**"ASCu"**) concentrations that range from 5 to 73% higher than in the original data base. DDH-UVD-13 returned an average of 0.616% ASCu over a 93.84m core interval representing a 73% increase in ASCu content and a 51% increase in thickness of the mineralized interval. DDH-UVD-12 returned a combined mineralized interval of 102.47m versus 63.71m reported in the original data base representing a 61% increase in thickness. The mineralized intervals in two of the drill holes are open and additional sampling is required to determine the length of these mineralized intervals.

- On March 26, 2019, Copper Fox announced additional analytical results from its Van Dyke deposit. The analytical results continue to yield significant increased weighted average (from 20% to 260% higher) soluble copper concentrations and thicker (from 17% to 244% thicker) mineralized intervals similar to previously announced results.

- On April 11, 2019, Copper Fox announced additional analytical results from its Van Dyke deposit including DDH-OXY-10 that returned an average of 0.748% ASCu over a 40.84m core interval including a 12.50m interval averaging 2.25% ASCu. The four drill holes reported yielded increased

(16% higher) weighted average ASCu concentrations and on average a 20% increase in the thickness of the mineralized intervals compared to the original data base.

- On April 17, 2019, Copper Fox provided an update on the work completed by the SCJV on the Schaft Creek copper-gold-molybdenum project located in northwestern British Columbia. The 2018 sizing and infrastructure alternatives study was completed and the SCJV has agreed to further evaluate identified engineering improvement options to reduce capital and operating costs, assuming a 130 ktpd (same as the 2013 feasibility study) throughput case. In addition to the planned field studies, a review of the site characteristics of potential revisions to key infrastructure elements, e.g., tailing storage, conveyance systems, ore and waste transport options and mill location, will take place in 2019 on the basis of a 130 ktpd throughput case.

- On April 29, 2019, the Company closed a non-brokered private placement, raising aggregate gross proceeds of $1,339,140 through the sale of 12,174,000 units at a price of $0.11 per unit. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder to purchase one common share for an exercise price of $0.13 during the first 12-month period after the closing of the offering and $0.15 during the second 12-month period after the closing of the offering. In the event that the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above $0.20, the expiry date of the warrants will be accelerated to a date that is 30 days after the first date such threshold is met. Shares issuance costs, in the form of legal fees, of $2,083 were paid in connection with this private placement.

- On May 7, 2019, Copper Fox announced the final analytical results on its Van Dyke deposit including DDH-OXY-18 that returned an average of 0.284% ASCu over a 199.95m core interval including a 21.03m interval grading 1.141%ASCu. Twenty of the 25 drill holes re-analyzed returned higher (from 3% to 260%) ASCu concentrations and 19 drill holes returned thicker (from 1.0m to 62.7m) mineralized intervals compared to the original data base. The ASCu/TCu ratio for all samples analyzed; averaged 86% in 2019 compared to 71% in the original data base.

- On May 28, 2019, Copper Fox announced additional analytical and sampling work on its Van Dyke deposit to determine the full extent of the soluble copper envelope for the Van Dyke deposit and to increase certainty and confidence in the analytical data base. This includes delineating the boundaries between the oxide, supergene and hypogene zones of copper mineralization and to gain additional lithologic and structural information necessary for updating the geological model.

- On June 9, 2019, 1,250,000 warrants, with an exercise price of $0.17, expired.

- On June 12, 2019, 9,166,665 warrants, with an exercise price of $0.17, which were set to expire on July 27, 2019, were extended to July 27, 2020.

- On June 26, 2019, 9,503,000 warrants, with an exercise price of $0.17, which were set to expire on June 30, 2019, were extended to June 30, 2020.

- On July 9, 2019, Copper Fox announced the initial results from the Phase II analytical program on the Van Dyke oxide copper deposit. DDH-OXY-17B returned an average of 0.297% ASCu over a 137.40m core interval including a 14.93m interval grading 1.022% acid soluble copper and DDH

OXY-29 returned an average of 0.362% ASCu over a 144.48m including a 25.64m core interval grading 0.839% ASCu., with 7 of the 8 drill holes reported in the news release returning significantly thicker mineralized intervals compared to the historical mineralized intervals.

- On July 17, 2019, Copper Fox announced that Moose Mountain Technical Services has been retained to complete an updated resource estimate for the Van Dyke copper deposit and that four drill holes reported in the news release that were previously reported to contain no soluble copper greater than 0.05% returned ASCu concentrations ranging from 0.080% to 0.445% over intervals ranging from 35.97m to 82.91m. The additional sampling extended (from 11.0m to 47.2m) the mineralized intervals reported in the Phase I sampling in six drill holes.

Subsequent to the Period Ended

- On August 7, 2019, District Copper Corp. announced analytical results from the recently completed prospecting and sampling results on its 100% owned Stony Lake gold project. The program identified eight areas of highly anomalous to low grade gold mineralization hosted in pyrite and arsenopyrite bearing (1-3% total sulphide) Quartz Feldspar Porphyry, reduced sandstone, quartz stockwork and quartz veins. Sericite, silica, ankerite, carbonate and chlorite alteration typically as pervasive alteration and envelopes around quartz stockwork, quartz veins; an arsenic-antimony-molybdenum geochemical association.

- On August 19, 2019, Copper Fox provide shareholders and update of activities on its 100% owned Van Dyke and Sombrero Butte copper projects. At Van Dyke; DDH OXY-41 returned an average of 0.208% acid soluble copper over a 100.58m core interval and DDH OXY-42 returned an average of 0.306 % acid soluble copper over a 70.10m core interval; with both mineralized intervals open at depth. Analytical results for four additional drill holes are pending. The permit required for Sombrero Butte has been received and the program is scheduled to commence in September 2019.

4. PROPERTY SUMMARY

In Q3 2019, work was completed on the Schaft Creek, Van Dyke and Sombrero Butte copper projects. At Schaft Creek, the work, continued the in-depth study of the 133ktpa scenario selected from the 2018 Infrastructure and Alternatives Study completed by the SCJV; with the objective of surfacing additional value in the Schaft Creek project. At Van Dyke, additional sampling, modelling and updating the geological model was completed with the objective of increasing the size of the soluble copper envelope to support the recently announced updated resource estimate. The proposed induced polarization/resistivity survey at Mineral Mountain (estimated to cost US $120,000) has been suspended and the funds diverted to the Van Dyke project. The Company believes that due to the advanced nature of the Van Dyke project, more value would be created by completing the proposed updated resource estimate on the Van Dyke copper deposit. At Sombrero Butte, in preparation for the proposed mapping program, modelling of the chargeability/resistivity target and an application for a Geological Field Operation Plan was completed. The Geological Field Operation Plan has been approved and the work program is expected to commence in September 2019. All fees required to maintain the federal and state mineral tenures and exploration permits to 2020 have been paid in full.

Continuing trade tensions, the strengthening of the US dollar and fears of slowing world economic growth continues to have a negative impact on the copper industry. In Q3 2019, spot copper prices remained in the $US2.60 per pound range leading to increases in copper inventories on the major copper exchanges.

Despite the macro-economic issues facing the copper industry, the structural issues being supply disruptions, operational issues, reduced head grades, geopolitics and longer lead times for permitting have not been resolved and should impact copper availability and have a positive impact on future copper prices. Over the longer term, the requirement and demand for copper is expected to continue, driven by population growth, emerging economies, green initiatives, and infrastructure requirements. Increased exploration expenditures have not mitigated the decline in copper discoveries and the number of copper projects in the exploration and development chain are the lowest they have been for decades, foreshadows an impending supply shortage within the copper industry.

Schaft Creek Project

In July 2013, Copper Fox and Teck created the SCJV to further explore and develop the Schaft Creek project. Copper Fox's primary asset is a 25% working interest in the SCJV. The SCJV holds two main assets: i) the Schaft Creek copper-gold-molybdenum-silver project located in northwestern British Columbia and ii) an 85.41% equity interest in Liard Copper Mines ("**Liard**"). Liard holds a 30% Net Proceeds Interest in the Schaft Creek project subject to certain terms and conditions. Teck is the operator of the SCJV.

Under the SCJV agreement, Teck is required to make three cash milestone payments to the Company: (i) $20 million upon entering into the agreement (received), (ii) $20 million upon a production decision approving mine construction, and (iii) $20 million upon completion of construction mine facilities.

The SCJV agreement provides that Teck and the Company are each responsible for their pro-rata share of project costs in accordance with their interests, except that Teck is solely responsible for the first $60 million in pre-production costs. If pre-production costs exceed $60 million, the Company's pro rata share of such costs will be set off against the two remaining cash milestone payments (totaling $40 million) payable by Teck to the Company. If pre-production costs exhaust the two cash milestone payments, Teck will further assist the Company by providing loans, as necessary, without dilution to the Company's 25% joint venture interest.

By way of example, assuming the existing 75% interest held by Teck and the 25% interest held by the Company remain unchanged, pre-production expenditures on the Schaft Creek Project would have to exceed a cumulative total of $220 million in order to eliminate the two cash milestone payments payable to the Company through set-off, after which Teck would be obligated to fund the Company's pro-rata share of additional pre-production costs by way of loan to the Company (at prime plus 2%).

On January 23, 2013, Copper Fox filed a NI 43-101 Technical Report entitled "Feasibility Study on the Schaft Creek Project, BC Canada" prepared by Tetra Tech with A. Farah, P.Eng. et al. as Qualified Persons. The Feasibility Study proposed a 130,000 tonne per day ("**TPD**") truck and shovel/flotation/open pit mine. The Feasibility Study indicated that the NPV and the IRR for the Schaft Creek project were most sensitive to fluctuations in the Foreign Exchange ("**FOREX**") between the Canadian and United States dollar and the price of copper. The Feasibility Study used a FOREX of $1.00 US = $0.97 CAD and a copper price of US $3.25/lb.

Between 2013 and 2017, the SCJV reviewed the major components of the 2013 Schaft Creek Feasibility Study; completed limited exploration programs and continued collecting additional geotechnical, metallurgical and baseline environmental information along with social and cultural interaction with the Tahltan First Nation. In 2017, the SCJV completed an updated resource estimate for the Schaft Creek project and confirmed that there were no changes in the Measured and Indicated Resource categories used in the 2013 Feasibility Study and the 2017 update.

In 2018, the SCJV completed a sizing and infrastructure alternatives study focused on evaluating four scenarios that targeted potential capital, operating and sustaining cost reductions; a higher-grade initial starter pit and identifying other opportunities such as infrastructure and access option to enhance the value of the Schaft Creek project. The SCJV concluded that the 133ktpa scenario should be the focus of the 2019 program. A Multi-Year Area Based Permit ("**MYAB**") that includes approval for up to 50 diamond drill holes, 5 kms of new drill road and 20 kms of line cutting was received in 2018. None of the activities included in the MYAB are planned for as of the date of this MD&A.

The 2019 work program is budgeted at $2.1 million. The program includes field work to inform a more in-depth analysis of options identified in late 2018 and early 2019 to lower capital and operating costs associated with the 133ktpa development scenario. This combined field and study work is focused on lowering the capital and operating costs associated with key infrastructure and access options, mine development and sequencing alternatives, and tailings management facility options.

A study team has been assembled, contractors have been retained and the work is underway. Other activities include geotechnical investigations, continued collection of baseline environmental data, camp maintenance and protection work, and ongoing engagement with the Tahltan Nation.

Van Dyke Project

In 2012, Copper Fox through its wholly owned subsidiary acquired a 100% working interest in the Van Dyke copper project located in the Globe-Miami Mining District in Arizona. Acquisition cost was US $1,500,000 including assumption of continuing obligations in respect of the Van Dyke project, subject to certain amended terms and conditions. The Vendors retained a 2.5% Net Smelter Return production royalty from the Van Dyke deposit. The Van Dyke project consists of 531.5 hectares (1,312.8 acres) of mineral rights and 5.75 hectares (14.02 acres) of surface rights.

Historical work completed on the Van Dyke deposit between 1968 and 1990 included an extensive drilling program, two successful ISL tests followed by two years of copper production utilizing the ISL method. In 2013 and 2014, Copper Fox's activities included data compilation, diamond drilling, metallurgical testwork, re-analysis of pulp samples and environmental baselines, hydrology and scoping level engineering studies.

In November 2015, Copper Fox completed a NI-43-101 technical report entitled "Preliminary Economic Assessment ("**PEA**") Technical Report for the Van Dyke Copper Project" dated November 18, 2015 (as amended May 2017). The report was prepared under the direction of Moose Mountain Technical Services, Mr. Jim Gray, P.Eng. et al. as the Qualified Persons. The PEA recommended a pre-feasibility study (estimated cost – US $16.6 million) consisting of, among other activities, a 10,000m diamond drilling program to upgrade the inferred resource to a higher resource category, expand the limits of the mineralization and an eight hole pilot ISL test program to investigate; soluble copper recoveries and other geotechnical parameters of the Van Dyke oxide copper deposit.

The PEA yielded an after-tax NPV of US $149.5 million and IRR of 27.9% based on a copper price of US $3.00/lb and an Inferred Resource of 183 million tonnes containing 1.33 billion pounds of copper at an average total copper grade of 0.33%. The effect of the 2018 reduction in the United States corporate tax rate from 35% to 21% has not been incorporated into the 2015 PEA for the Van Dyke project.

The results of the PEA are preliminary in nature as they include an Inferred Mineral Resource which is considered too speculative geologically to have the economic considerations that would enable them to be categorized as mineral reserves. There is no certainty that the PEA forecasts will be realized or that any of the resources will ever be upgraded to reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

In 2017, Copper Fox commenced the process to obtain Class III Underground Injection Control and Aquifer Protection permits which, once acquired, are good for the life of the project. A significant amount of modelling work was completed to the draft stage before Copper Fox suspended the work on the permit applications due to its inability to reach agreement with a third party to gain surface access to the proposed ISL pilot scale test site (see news release dated September 21, 2017). Discussions with the third party were terminated. Copper Fox has terminated all activities related to the permitting process.

In Q1 2019, Copper Fox commenced a re-sampling (historical sample pulps and core) program to update the analytical data base for the Van Dyke copper deposit and to investigate the positive discrepancy in the 2014 acid soluble copper grades compared to the historical data base.

In Q2 2019, the analytical results indicated that 20 of the 25 drill holes included in the initial program returned higher (from 3% to 260%) acid soluble copper concentrations and 19 drill holes returned thicker (from 1.0m to 62.7m) mineralized intervals compared to the historical data base. The program also indicated that additional sampling was required in several drill holes to define the full extent of the mineralized intervals.

In Q3 2019, additional sampling was completed to delineate the extent of the soluble copper envelope and the boundaries between the oxide, supergene and hypogene zones of copper mineralization in the Van Dyke deposit. Twelve additional drill holes were sampled in phase 2 to close mineralized interval from the phase 1 program and first-time re-analysis of drill holes not previously sampled in 2019. Four drill holes in the phase 2 program, previously reported to contain acid soluble copper concentrations of less than 0.05% ASCu yielded from 0.080% to 0.445% ASCu over intervals ranging from 36.0m to 82.9m. The re-analyses program demonstrated good correlation with the total copper ("**TCu**"), but significantly higher (54%) acid soluble copper concentrations when compared to the historical data base.

Subsequent to Q3 2019, pulp samples and drill core for six historical drill holes located in the northwest portion of the Van Dyke deposit were sampled. The detailed historical analytical data for these drill holes is not available. Results from two of the six holes have been received with DDH OXY-41 located 100m north of DDH VD14-01 (completed in 2014) yielding a weighted average (using a 0.05% ASCu cut-off) of 0.208% ASCu over a core interval of 100.58m. The analytical results for the four remaining holes are pending. Re-analyses and sampling were completed on 37 drill holes in 2019; the results from which will be used in the updated resource estimate for the Van Dyke project.

For the nine months ended July 31, 2019, Copper Fox incurred $265,629 (US $199,659) in expenditures towards the Van Dyke project for rent, assays, claims, geology, consulting fees and core storage.

Sombrero Butte Project

Sombrero Butte is an exploration stage project located in the Bunker Hill Mining District, 44 miles northeast of Tucson, Arizona consisting of three Arizona exploration permits, 77 BLM claims and 3 patented mineral claims covering approximately 1,388.9 ha (3,432.5 acres).

Copper Fox has three US $40,000 annual option payments remaining on certain mineral and patented claims held by an arms-length third party that are included within the Sombrero Butte project to hold an undivided 100% working interest in the property. The option agreement remains in good standing if the annual payments are made, with the next payment due by October 15, 2019.

The Laramide age Copper Creek intrusive that hosts the Copper Creek porphyry copper-molybdenum deposit located 3kms north of the Sombrero Butte project outcrops in the center of the property. The surface expression of the Copper Creek deposit is a swarm of mineralized breccia pipes like that which occurs on the Sombrero Butte project and elsewhere in the district are known to overlie buried porphyry copper deposits. Two large, positive chargeability anomalies located adjacent to a regional scale north-south trending regional scale fault system were outlined by a geophysical survey completed in 2015. No field work was completed on the project in 2017 and 2018.

In advance of the Q4 2019 surface program, compilation and modelling of the chargeability/resistivity body located in the south-central portion of the property indicates that this body is near surface and dips to the northeast toward a large area of hornfels located in the northeastern portion of the property. Hornfels results from heating of the country rock around an intrusive body. Sampling of cuttings from historical drill holes located within this chargeability body returned up to 0.23% copper. The top of the second chargeability/resistivity body located at the north end of the property occurs at approximately 400m below surface and underlies the mineralized breccia pipes. The Geological Field Operation Plan for the project has been approved and the program is scheduled to commence in September 2019. The estimated cost of the program is US $20,000. All fees required to maintain the federal and state mineral tenures and exploration permits to 2020 have been paid in full and the annual option payment due in October 2019 will be funded.

For the nine months ended July 31, 2019, Copper Fox incurred $26,612 (US $20,003) in expenditures towards the Sombrero Butte project for claim fees, storage costs.

Mineral Mountain Project

Mineral Mountain is an early stage exploration project in the Laramide Porphyry Copper Province of Arizona; located on the same structural trend that hosts the Globe-Miami, Resolution, Florence and Casa Grande copper deposits. The property is 100% owned by Copper Fox and consists of one Arizona exploration permit (725 acres) and 181 BLM claims covering approximately 2,043 ha.

A limited amount of exploration between 2015 and 2017 outlined a 1,100m by 900m zone of porphyry style mineralization hosted in potassic and phyllic altered Laramide age Quartz Monzonite. A significant number of samples from this area returned between 1% and 6.6% copper due to abundant chalcocite mineralization.

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During Q1 2019, a four-week mapping and sampling program was completed to characterize the copper-molybdenum-gold-silver concentrations and trace element geochemistry present in mineralized structures exposed in outcrop within the property. The samples collected, although not necessarily representative of the mineralization on the property, provides information that could be used as vectors to the center of the porphyry system. The sampling program outlined two large porphyry copper targets on the property that warrant further exploration.

Area #1

Within the Quartz Monzonite stock along the contact with the Precambrian Pinal Schist copper mineralization (approximately 600 showings) occurs in outcrops over a 4,500m long by up to 2,000m wide area. The primary copper minerals are malachite, chrysocolla, chalcocite as well as rare covellite and chalcopyrite occur as disseminations, in quartz veinlets and along fractures. Within this target, three zones of disseminated copper-molybdenum mineralization occur; the largest of which measures approximately 1,000m long by 350-450m wide and correlates with a positive chargeability/resistivity anomaly (1,800m by 900m) outlined in 1971. The molybdenite mineralization ("B" veins - porphyry terminology) and spatial distribution of the different styles of copper mineralization suggest an outward progression from the core of a porphyry system.

Area #2

Measures 2,800m long, averages 400m wide and is characterized by quartz vein and fracture hosted copper mineralization (malachite and chrysocolla) with significantly lower concentrations of molybdenum than recorded in Area #1. The lower molybdenum concentrations and different styles of copper mineralization are interpreted to reflect the depth to the potential porphyry stock.

The average metal concentrations of the three styles of copper mineralization in Area #1 and Area #2 are shown below.

		Average Concentration				
Style of Mineralization	**Number of Samples**	**Cu (ppm)**	**Cu (%)**	**Mo (ppm)**	**Au (ppb)**	**Ag (ppm)**
Disseminated	47	5,752	0.575	71.8	57.9	6.6
Quartz Vein	141	12,020	1.202	65.3	127.5	16.3
Fracture	135	4,223	0.422	13.6	43.1	7.3

Cu = copper, Mo = molybdenum, Au = gold, Ag =silver, ppm = parts per million, ppb = parts per billion.

The range of the metal concentrations for each style of mineralization (includes Area #1 and Area #2) at Mineral Mountain are as follows:

For the Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

		Range of Values				
Style of Mineralization	**Number of Samples**	**Cu (ppm)**	**Cu (%)**	**Mo (ppm)**	**Au (ppb)**	**Ag (ppm)**
Disseminated	47	73 to 20,200	0.007 to 2.20	0.5 to 1,060	5 to 696	0.4 to 65.4
Quartz Vein	141	80 to 103,800	0.008 to 10.38	0.2 to 2,080	5 to 872	0.2 to 483
Fracture	135	13 to 30,000	0.001 to 3.00	0.5 to 282	5 to 465	0.2 to 65.4

The average metal concentrations in the Quartz Vein hosted mineralization in Area #1 and Area #2 are significantly different possibly due to the depth of the source porphyry.

Area	Cu (ppm)	Cu (%)	Mo (ppm)	Mo (%)	Au (ppb)	Ag (ppm)
Area # 1	9,621	0.962	80	0.008	143.9	17.6
Area # 2	18,542	1.854	27	0.003	82.7	12.8

Number are rounded to reflect best practice principals.

The Q2 2019 compilation work indicated that the Laramide age Quartz Monzonite intrusive that underlies Area #1 is located at the intersection of the Casa Grande to Miami-Globe mineralized trend and a north-south trending "Range Front" system along the flank of a regional scale, positive magnetic and gravity anomaly, a setting similar to other large porphyry copper systems in Arizona. The compilation also shows that the mineralized portion of the Quartz Monzonite stock exhibits a strong structural control on the distribution of the mineralization.

The proposed induced polarization/resistivity survey over Area #1 (estimated to cost US $120,000) has been suspended and the funds diverted to the Van Dyke project. The mineral tenures and exploration permits are in good standing until August 31, 2020.

For the nine months ended July 31, 2019, Copper Fox incurred $121,426 (US $91,269) in expenditures towards the Mineral Mountain project related to assays, claims and consulting fees.

District Copper Investment in Associate

As of the date of this MD&A, Copper Fox, through its wholly owned subsidiary Northern Fox, owns 24.43% of the common shares of District Copper Corp.

District Copper owns a 100% working interest in the Stony Lake gold project, and a 100% working interest in the Eaglehead copper-molybdenum-gold-silver property located in northern British Columbia.

Stony Lake Project

The Stony Lake Project covers 13,025 ha over a 27 kms strike length of the Cape Ray/Valentine Lake structural trend in central Newfoundland, Canada's newest emerging orogenic gold district. The 2019 exploration results announced by District indicates that the Stony Lake project has potential for several style of gold mineralization including; sediment hosted intrusion related; high-grade quartz vein; (Sokoman Iron Corporation's and Antler Gold) and intrusion related (Marathon Gold).

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District's 2019 exploration program consisted of mapping, prospecting and sampling and a property wide airborne magnetometer and radiometric survey to map bedrock lithologies, structural features and areas of structurally controlled potassic alteration. The airborne survey was completed in August 2019 and the compilation and interpretation of the geophysical results are in progress. During Q3 2019 District increased its size of the Stony Lake project by acquiring the Duffitt and Island Pond contiguous gold properties.

The 2019 program outlined 8 areas of anomalous to low grade gold mineralization (greater than 50 to 4,026 ppb). The gold mineralization is hosted in pyrite and arsenopyrite bearing Quartz Feldspar Porphyry, reduced sandstone, quartz stockwork and quartz veins, characterized by varying intensities of sericite, silica, ankerite, carbonate and chlorite alteration typically as pervasive alteration and envelopes around quartz stockwork, quartz veins. The mineralization exhibits arsenic-antimony-molybdenum geochemical associations.

The zones of anomalous to low grade gold mineralization are located along an interpreted northeast-southwest trending corridor located in the western side of the property. Sampling to the west and east of the interpreted corridor returned low (less than 20 ppb gold) concentrations of gold. It is expected that the results of the airborne survey should provide insight to the structural control, if any on these areas of anomalous to low grade gold mineralization.

Eaglehead Property

The Eaglehead copper-molybdenum-gold property, an exploration stage project (15,956 ha), is in the Liard Mining District in northern British Columbia. District does not plan to conduct any exploration work on Eaglehead in 2019 and has placed the project on care and maintenance.

5. SUMMARY OF QUARTERLY RESULTS

The quarterly results are as follows:

	July 31, 2019 *3 months ended*	**April 30, 2019** *3 months ended*	**January 31, 2019** *3 months ended*	**October 31, 2018** *3 months ended*
Loss before taxes	$ 270,252	$ 4,975,881	$ 192,708	$ 256,899
Net (gain)/loss	270,252	4,975,881	192,708	(8,001)
Comprehensive loss	663,525	4,734,383	176,208	226,205
Comprehensive loss per share, basic and diluted	0.00	0.01	0.00	0.00

	July 31, 2018 *3 months ended*	**April 30, 2018** *3 months ended*	**January 31, 2018** *3 months ended*	**October 31, 2017** *3 months ended*
Loss before taxes	$ 620,441	$ 541,914	$ 213,774	$ 400,188
Net loss	620,441	541,914	213,774	144,910
Comprehensive (gain)/loss	456,739	(47,768)	787,900	(322,819)
Comprehensive (gain)/loss per share, basic and diluted	0.00	(0.00)	0.00	(0.00)

The Company's quarterly operating expenses decreased in Q3 2019 compared to Q2 2019, as a result of the impairment of the Eaglehead mineral property.

For the Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

6. DISCUSSION OF OPERATIONS

All the information described below is accounted for in accordance with IFRS, as issued by the IASB. The reader is encouraged to refer to Note 2 of the Company's unaudited interim consolidated financial statements for the nine months ended July 31, 2019 for Copper Fox's "*Basis of Presentation and Significant Accounting Policies*".

For the nine months ended July 31, 2019 and 2018, the consolidated expenses were:

	Nine Months Ended	
	July 31, 2019	July 31, 2018
Expenses		
Administration	$ 671,120	$ 1,282,613
Depreciation, amortization and accretion	16,520	16,712
Impairment of mineral property	5,536,746	-
Professional fees	38,774	85,575
Interest and other income	(824,317)	(64,075)
Net Loss	**$ 5,438,843**	**$ 1,320,825**

Nine Months Ended July 31, 2019 Compared to Nine Months Ended July 31, 2018

For the nine months ended July 31, 2019, the Company recorded a net loss of $5,438,843 or $0.01 per share compared to a net loss of $1,320,825 or $0.00 per share in the comparable prior period. The increase in net loss is due to the impairment of mineral property, offset by the decrease in expenses and the increase in other income due to District Copper being deconsolidated from Copper Fox's financial statements in Q2 2019.

7. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As an exploration company, Copper Fox has no regular cash in-flow from operations, and the extent of its operations is principally a function of the availability of capital resources. To date, the primary source of funding has been equity financing.

As at July 31, 2019, the Company's cash position was $769,075 (October 31, 2018 - $938,311).

Major expenditures are required to establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities. The recoverability of valuations assigned to exploration and development mineral properties are dependent upon the discovery of economically recoverable reserves, the ability to obtain necessary financing to complete such exploration and development as well as the future profitable production or proceeds from potential dispositions.

Management reviews the carrying value of the Company's interest in each property and, where deemed necessary, exploration and evaluation mineral properties are written down to their estimated recoverable amount. Although management has made its best estimate of these factors, it is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and the need for, as well as the amount of, provision for impairment in the carrying value of exploration properties and related assets.

For the Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

Many factors influence the Company's ability to raise funds, and there is no assurance that the Company will be successful in obtaining adequate financing at favourable terms for these or other endeavours, including general working capital purposes.

Working Capital

As at July 31, 2019, Copper Fox had working capital of $805,559 (October 31, 2018 – $679,596). The working capital increased during the nine months ended July 31, 2019 compared to the year ended October 31, 2018 as a result of the Q2 2019 private placement.

The Company manages its working capital through conscientious controlling of spending on its properties and operations. Due to the on-going planned advancement of project milestones for the Van Dyke, Sombrero Butte and Mineral Mountain projects over the near term, Copper Fox intends to continue to incur expenditures without revenues and accumulate operating losses. As a result, the Company needs to obtain adequate financing to fund future exploration and development, including the potential construction of a mine, in order to reach profitable levels of operation. It is not possible to predict whether future financing efforts will be successful or whether financing on favourable terms will be available.

Copper Fox has no long-term debt or long-term liabilities, other than its decommissioning provision of $178,033, its Sombrero Butte option payments of $157,704 (US $120,000) and its deferred tax liability of $1,659,415. The Company has no capital lease obligations, operating or any other long-term obligations, other than its office lease.

Cash Flow Highlights

	Nine Months Ended	
	July 31, 2019	July 31, 2018
Cash used in operating activities	$ (712,177)	$ (1,133,422)
Cash used in investing activities	(427,946)	(1,007,579)
Cash provided by financing activities	1,351,456	3,577,057
Increase in cash for the period	211,333	1,436,056
Translation effect of foreign currency	(7,135)	(7,721)
Cash balance, beginning of year	564,877	286,195
Cash Balance, End of Period	**$ 769,075**	**$ 1,714,530**

For the Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

Cash Flow for the Nine Months Ended July 31, 2019 and 2018

Operating Activities

Cash used in operating activities in the current period was $712,177 compared to $1,133,422 in the prior comparable period. The decrease is due to the overall decrease in expenses as a result of District Copper being deconsolidated from Copper Fox's financial statements, offset by the gain on loss of control of subsidiary.

Investing Activities

Cash used in investing activities in the current period was $427,946 compared to $1,007,579 in the prior comparable period. The decrease is due to the overall decrease in capital expenditures is a result of District Copper being deconsolidated from Copper Fox's financial statements.

Financing Activities

Copper Fox had a private placement in Q2 2019 and Q3 2018 and District Copper had a private placement in Q2 2018.

Capital Resources

As of July 31, 2019, and as of the date of this MD&A, the Company had $769,075 and $553,632 in cash.

Commitments

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

Year Ended	2019	2020	2021	2022	2023	2024
Amount	$ 19,593	$60,930	$60,930	$60,930	$62,953	$62,953

Sombrero Butte

The Company is also committed to pay the balance outstanding of three yearly option payments totalling $157,704 (US $120,000) under the Sombrero Butte acquisition agreement. The next payment of $52,568 (US $40,000) is due on October 15, 2019.

Schaft Creek Joint Venture

Teck holds a 75% interest and the Company holds a 25% interest in the SCJV, and Teck is the operator of the SCJV. Management of the SCJV is made up of two representatives from Teck and the Company with voting proportional to their equity interests.

For the Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

Under the SCJV agreement, Teck is required to make three cash milestone payments to the Company: (i) $20 million upon entering into the agreement (received), (ii) $20 million upon a Production Decision approving mine construction, and (iii) $20 million upon completion of construction of mine facilities.

The SCJV agreement provides that Teck and the Company are each responsible for their pro-rata share of project costs in accordance with their interests, except that Teck is solely responsible for the first $60 million in pre-production costs. If pre-production costs exceed $60 million, the Company's pro rata share of such costs will be set off against the two remaining cash milestone payments (totaling $40 million) payable by Teck to the Company. If pre-production costs exhaust the two cash milestone payments, Teck will further assist the Company by providing loans, as necessary, without dilution to the Company's 25% joint venture interest.

Once a production decision has been made, Teck will make an irrevocable offer to the Company:

(i) to use all reasonable commercial efforts to arrange project equity and debt financing for at least 60% of project capital costs or such portion as Teck determines is commercially available on reasonable terms at the relevant time, and

(ii) to fund by way of loans to the Company, the Company's pro rata share of project capital costs not covered by project debt financing, if requested by the Company, without dilution to the Company's 25% joint venture interest.

The Company must notify Teck within 60 days after Teck's offer as to whether it accepts Teck's offer or whether it will arrange for its own financing.

8. RELATED PARTY TRANSACTIONS

Copper Fox

During the nine months ended July 31, 2019, legal fees of $45,476 (July 31, 2018 - $71,106) were paid to Farris, Vaughan, Wills & Murphy LLP ("**Farris**"). As at July 31, 2019, included in accounts payable to Farris was $5,128 (October 31, 2018 - $2,087). One of the partners at Farris' is a member of Copper Fox's Board.

Key Management Compensation

The remuneration of the CEO, CFO, directors and those persons having authority and responsibility for planning, directing and controlling activities of the Company are as follows:

	July 31, 2019	July 31, 2018
Directors fees	**$ 3,000**	$ 14,500
Salaries and consulting fees	**244,625**	313,667
Total	**$ 247,625**	**$ 328,167**

9. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's financial instruments consist of cash, loans and other receivables, deposits, investments and accounts payables and accrued liabilities.

For the Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

The Company's financial assets, measured at fair value, are categorized as follows:

	As at July 31, 2019				
	Loans and Receivables	Available For Sale	Other Financial Liabilities	Total Carrying Amount	Total Fair Value
Financial Assets					
Cash	$ 769,075	$ -	$ -	**$ 769,075**	**$ 769,075**
Amounts receivables	48,380	-	-	**48,380**	**48,380**
Investments	-	112,649	-	**112,649**	**112,649**
Total Financial Assets	**$ 817,455**	**$ 112,649**	**$ -**	**$ 930,104**	**$ 930,104**
Financial Liabilities					
A/P and accrued liabilities	$ -	$ -	$ 11,896	**$ 11,896**	**$ 11,896**
Total Financial Liabilities	**$ -**	**$ -**	**$ 11,896**	**$ 11,896**	**$ 11,896**

	As at October 31, 2018				
	Loans and Receivables	Available For Sale	Other Financial Liabilities	Total Carrying Amount	Total Fair Value
Financial Assets					
Cash	$ 938,311	$ -	$ -	**$ 938,311**	**$ 938,311**
Amounts receivables	18,430	-	-	**18,430**	**18,430**
Investments	-	112,233	-	**112,233**	**112,233**
Total Financial Assets	**$ 956,741**	**$ 112,233**	**$ -**	**$ 1,068,974**	**$ 1,068,974**
Financial Liabilities					
A/P and accrued liabilities	$ -	$ -	$ 233,661	**$ 233,661**	**$ 233,661**
Total Financial Liabilities	**$ -**	**$ -**	**$ 233,661**	**$ 233,661**	**$ 233,661**

Determination of Fair Value

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy, based on the amount of observable inputs used to value the instrument:

- *Level 1* – observable inputs such as quoted prices in active markets. The Company's common share ownership in Bell Resources is a Level 1 instrument,

- *Level 2* – inputs, other than the quoted market prices in active markets, which are observable, either directly and or indirectly, and

- *Level 3* – unobservable inputs for the asset or liability in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The Company's direct investment in Liard, for all years carried at fair market value is a Level 3 instrument.

The Company's activities expose it to a variety of financial risks, which arise as a result of its exploration, development, production and financing activities. These include:

- Credit risk
- Market risk
- Liquidity risk

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from partners and tax authorities. The maximum exposure to credit risk at July 31, 2019 is $48,380 (October 31, 2018 - $18,430).

Market Risk

Market risk is the risk that changes in market conditions, such as commodity prices, foreign exchange rates and interest rates will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the Company's return.

Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. During the nine months ended July 31, 2019 the Company was involved with preliminary exploration activities in the United States. As such, the Company is exposed to fluctuations in the United States dollar exchange rates compared to Canadian dollar exchange rates. A 5% strengthening or weakening of the US dollar would have significant impact on the total assets and the net losses of the Company.

Due to its US activities, the Company has an exposure to foreign currency exchange rates. The carrying values of US dollar denominated monetary assets and liabilities are subject to foreign exchange risk.

As at July 31, 2019, the Company had $94,064 in US denominated cash balances.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As of July 31, 2019, the Company is exposed only on its cash balance.

Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices.

Commodity prices for minerals are impacted by the relationship between the Canadian dollar and United States dollar as well as the global economic events that dictate levels of supply and demand.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's financial liabilities consist of accounts payable and accruals. Accounts payable consists of invoices payable to trade suppliers for office, field operating activities and capital expenditures. The Company processes invoices within a normal payment period of approximately 30 days.

Accounts payable have contractual maturities of less than one year. The Company maintains and monitors a certain level of cash flow which is used to finance all operating and capital expenditures.

10. RISKS AND UNCERTAINTIES

It is Indeterminable if Exploration Properties Will Result in Profitable Commercial Mining Operations

Mine development projects, specifically the Schaft Creek and Van Dyke projects, require significant expenditures during the development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and availability of adequate financing. The economic feasibility of development projects is based on many factors, including: estimation of mineral reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future metal prices, and anticipated capital and operating costs. The Schaft Creek and Van Dyke projects have no operating history upon which to base estimates of future production and cash operating costs. Particularly for development projects, estimates of Proven and Probable Mineral Reserves and cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual capital and operating costs and economic returns will differ significantly from those currently estimated for a project prior to production.

Any of the following events, among others, could affect the profitability or economic feasibility of a project. Unanticipated changes in grade and tons of ore to be mined and processed, unanticipated adverse geological conditions, unanticipated metallurgical recovery problems, incorrect data on which engineering assumptions are made, availability and costs of labor, costs of processing and refining facilities, availability of economic sources of power, adequacy of water supply, availability of surface on which to locate processing and refining facilities, adequate access to the site, unanticipated transportation costs, government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, environmental), fluctuations in metals prices, foreign exchange rates, accidents, labor actions and force-majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at the start of production. The actual results for the Schaft Creek and Van Dyke projects could differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, or increase capital or operating costs above, current estimates. If actual results are less favorable than currently estimated, our business, results of operations, financial condition and liquidity could be materially adversely affected.

Joint Ventures

Copper Fox participates in a joint venture with Teck on the Schaft Creek project. There are risks associated with joint ventures, including:

- disagreement with a joint-venture partner about how to develop, operate or finance a project,
- a joint-venture partner not complying with a joint-venture agreement,
- possible litigation between joint-venture partners about joint-venture matters, and
- limited control over decisions related to a joint venture in which Copper Fox does not have a controlling interest.

Securing Additional Funding to Bring the Ore Body into Commercial Production

The business of mineral exploration and extraction involves a high degree of risk with very few properties that are explored ultimately achieving commercial production. As a mining company in the exploration stage, the future ability of the Company to conduct exploration and development will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

In turn, the Company's ability to raise such funding depends in part upon the market's perception of its management and properties, as well as metal prices and the marketability of securities of speculative mineral exploration and development companies.

There is no assurance that the Company will be successful in obtaining the required financing.

Estimates of Mineral Reserves and Resources may not be Realized

The Mineral Reserves and Resources estimates contained in this MD&A are only estimates. No assurance can be given that any particular level of recovery of metals will be realized or that identified resources will ever qualify as a commercially mineable or viable deposit which can be legally and economically utilized. The Company relies on laboratory-based recovery models to project estimated ultimate recoveries by mineral type. Actual recoveries may exceed or fall short of projected laboratory test results. In addition, the grade of mineralization ultimately mined may differ from the one indicated by the drilling results and the difference may be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions. Short term factors, such as the need for an orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of those operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in proven and probable reserves or resources, grades, waste-to-minerals ratios or recovery rates may affect the economic viability of projects. The estimated Proven and Probable Mineral Reserves and Mineral Resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

The Company's Activities on its Properties are Subject to Environmental Regulations and Approvals

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations, or its ability to develop its properties economically. Before production may commence on any property, the Company must obtain regulatory and environmental approvals and permits. There is no assurance such approvals and permits will be obtained on a timely basis, if at all. Compliance with environmental and other regulations may reduce profitability or preclude economic development of a property entirely.

Title Matters

In those jurisdictions where the Company has property interests, the Company makes a search of mining records in accordance with mining industry practices to confirm satisfactory title to properties in which it holds or intends to acquire an interest, but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims, or concessions. The ownership and validity of mining claims and concessions are often uncertain and may be contested. There is, however, no guarantee that title to the Company's properties and concessions will not be challenged or impugned in the future. The properties may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

Share Price Risk

The market price of a publicly traded stock is affected by many variables not directly related to the success of the Company, including the market sentiment toward the resource sector and for all resource sector shares, the breadth of the public market for the stock, the need for certain Funds to sell shares for external reasons other than those relevant to the Company and the attractiveness of alternative investments. The effect of these and other factors on the market price of the common shares of the Company on the exchanges on which the common shares are listed suggests that the share price will be volatile.

11. PROPOSED TRANSACTIONS

The Company does not currently have any proposed transactions; however, the Company from time to time does review potential property acquisitions and divestitures, in addition to conducting further exploration work on its property. The Company releases appropriate public disclosure as it conducts exploration work on its existing property and if the Company makes an acquisition or divestiture.

For the Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

12. DISCLOSURE OF OUTSTANDING SHARE CAPITAL DATA

Authorized Share Capital

Authorized share capital consists of an unlimited number of common shares and an unlimited number of first and second preferred shares, without par value, of which no preferred shares have been issued.

As of September 5, 2019, the issued and outstanding shares are as follows:

	Number of Shares	Amount
Opening Balance, November 1, 2018	448,980,160	$ 77,613,179
Additions		
February 25, 2019 warrants exercised	120,000	14,400
April 29, 2019 private placement, net	12,174,000	1,337,056
April 29, 2019 warrants granted	-	(122,199)
June 30 and July 27, 2019 warrants extended	-	(180,462)
Balance, September 5, 2019	**461,274,160**	**$ 78,661,974**

	Number of Shares	Amount
Opening Balance, November 1, 2017	436,980,160	$ 76,583,300
Additions		
June 18, 2018 private placement	12,000,000	1,173,079
June 18, 2018 warrants granted	-	(143,200)
Balance, October 31, 2018	**448,980,160**	**$ 77,613,179**

During the nine months ended July 31, 2019, the Company incurred the following shares issuances:

On April 29, 2019, the Company closed a non-brokered private placement, raising aggregate gross proceeds of $1,339,140 through the sale of 12,174,000 units at a price of $0.11 per unit. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder to purchase one common share for an exercise price of $0.13 during the first 12-month period after the closing of the offering and $0.15 during the second 12-month period after the closing of the offering. If the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above $0.20, the expiry date of the warrants will be accelerated to a date that is 30 days after the first date such threshold is met. Shares issuance costs, in the form of legal fees, of $2,084 were paid in connection with this private placement.

During the year ended October 31, 2018, the Company incurred the following shares issuances:

On June 18, 2018, the Company closed a non-brokered private placement, raising aggregate gross proceeds of $1,200,000 through the sale of 12,000,000 units at a price of $0.10 per unit. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder to purchase one common share for an exercise price of $0.12 during the first 12-month period after the closing of the offering and $0.15 during the second 12-month period after the closing of the offering. If the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above $0.20, the expiry date of the warrants will be accelerated to a date that is 30 days after the first date such threshold is met.

For the Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

Warrants

As of September 5, 2019, the warrants outstanding are as follows:

	Number of Warrants	Amount
Opening Balance, November 1, 2018	25,919,665	$ **1,238,412**
Additions		
February 25, 2019 warrants exercised	(120,000)	-
April 29, 2019 warrants granted	6,087,000	**122,199**
June 9, 2019 warrants expired	(1,250,000)	-
June 30 and July 27, 2019 warrants extended	-	**180,462**
Balance, September 5, 2019	**30,636,665**	**$ 1,541,073**

The value of the April 29, 2019 warrants was calculated using Black Sholes with an exercise price of $0.13 in the first year and $0.15 in the second year, an expected life of two years, a volatility rate of 67.04% and a risk-free rate of 1.56%.

The value of the June 30, 2019 warrant extensions was calculated using Black Sholes with an exercise price of $0.17, an expected life of one year, a volatility rate of 73.11% and a risk-free rate of 1.52%.

The value of the July 27, 2019 warrant extensions was calculated using Black Sholes with an exercise price of $0.17, an expected life of one year, a volatility rate of 73.86% and a risk-free rate of 1.54%.

	Number of Warrants	Amount
Opening Balance, November 1, 2017	19,919,665	$ **1,095,212**
Additions		
June 18, 2018 warrants granted	6,000,000	**143,200**
Balance, October 31, 2018	**25,919,665**	**$ 1,238,412**

The value of the June 18, 2018 warrants was calculated using Black Sholes with an exercise price of $0.10 in the first year and $0.15 in the second year, an expected life of two years, a volatility rate of 64.42% and a risk-free rate of 1.87%.

For the Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

The breakdown of the warrants outstanding is as follows:

Number of Warrants Outstanding	Warrant Exercise Price	Warrants Exercisable as of July 31, 2019	Warrant Expiry Date
5,880,000	$ 0.15	5,880,000	June 18, 2020
9,503,000	0.17	9,503,000	June 30, 2020
9,166,665	0.17	9,166,665	July 27, 2020
6,087,000	0.13 – 0.15	6,087,000	April 29, 2021
30,636,665		**30,636,665**	

Stock Option Plan

The number of shares reserved for issuance under the Company's stock option plan is limited to 10% of the number of shares which are issued and outstanding on the date of a particular grant of options. Under the plan, the Board of Directors determines the term of a stock option, the vesting period of the options and the option exercise price, which shall not be less than the closing price of the Company's share on the TSX: V immediately preceding the date of grant. The Compensation Committee determines and makes recommendations to the Board as to the recipients, nature and size of the share-based compensation awards in compliance with applicable securities law, stock exchange and other regulatory requirements.

As of September 5, 2019, the Company had no options outstanding.

13. OFF-BALANCE SHEET ARRANGEMENTS

During the nine months ended July 31, 2019, the Company was not party to any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, revenues, expenses, liquidity, capital expenditures or capital resources of the Company.

14. CHANGES IN ACCOUNTING STANDARDS

There were no changes in the Company's accounting policies during the nine months ended July 31, 2019. New and revised accounting standards and interpretations issued but not yet adopted are described in Note 2, "*Basis of Presentation and Significant Accounting Policies*", of the audited consolidated financial statements for the fiscal year ended October 31, 2018.

15. CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The Company bases its estimates and assumptions on current and various other factors it believes to be reasonable under the circumstances. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Depreciation

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

Impairment

The carrying value of property and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is recognized in earnings. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets) ("**CGUs**") for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

Site Closure and Reclamation Provisions

The Company assesses its mineral property's rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Share-Based Payments

Management uses valuation techniques in measuring the fair value of share options granted. The fair value is determined using the Black Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the share options and share purchase warrants, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions could have a material impact on the Company's financial statements.

Contingencies

The assessment of contingencies involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Company and that may result in regulatory or government actions that may negatively impact the Company's business or operations, the Company and its legal counsel evaluate the perceived merits of the legal proceeding or un-asserted claim or action as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to disclose as a contingent liability or when assessing the impact on the carrying value of the Company's assets. Contingent assets are not recognized in the Company's financial statements.

16. APPROVAL

The Audit Committee of Copper Fox has reviewed and approved the disclosures contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and it is also available under our SEDAR profile at www.sedar.com.