



Unaudited Interim Condensed Consolidated Financial Statements

For the Three and Six Months Ended April 30, 2021

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, “Continuous Disclosure Obligations”, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

The Company’s independent auditors have not performed a review of these unaudited interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity’s auditors.

COPPER FOX METALS INC.

Interim Condensed Consolidated Statements of Financial Position (*Unaudited*)

As at April 30

(Expressed in Canadian Dollars)

	April 30, 2021	October 31, 2020
Assets		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 1,230,280	\$ 491,933
Trade and other receivables	57,401	50,132
Total Current Assets	1,287,681	542,065
<i>Non-current assets:</i>		
Deposits	11,065	11,986
Investments	106,825	106,825
Investment in associate	776,161	830,071
Exploration & evaluation assets	75,146,925	75,458,571
Property and equipment	37,712	40,348
ROU asset	83,975	88,901
Total Assets	\$ 77,450,344	\$ 77,078,767
Liabilities and Shareholders' Equity		
<i>Current liabilities:</i>		
Trade and other payables	\$ 75,571	\$ 90,274
Office lease liability - Current	29,678	29,678
Total Current Liabilities	105,249	119,952
<i>Non-current liabilities:</i>		
Decommissioning liabilities	179,850	179,387
Deferred tax liabilities	967,258	967,258
Office lease liability - Long term	121,767	125,100
Total Liabilities	1,374,124	1,391,697
<i>Shareholders' Equity:</i>		
Share capital	81,895,918	79,872,399
Share purchase warrants	2,979,913	2,979,913
Accumulated other comprehensive income	1,147,945	2,239,734
Contributed surplus	15,823,771	15,823,771
Deficit	(25,771,327)	(25,228,747)
Total Shareholders' Equity	76,076,220	75,687,070
Total Liabilities and Shareholders' Equity	\$ 77,450,344	\$ 77,078,767
Reporting entity and nature of operations (Note 1)		
Commitments (Note 11)		
Subsequent Events (Note 15)		

Approved on behalf of the Board of Directors on June 23, 2021

"J. Michael Smith"

J. Michael Smith, Director

"Elmer B. Stewart"

Elmer B. Stewart, Director

See Accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.

COPPER FOX METALS INC.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss (*Unaudited*)

Three and Six Months Ended April 30

(Expressed in Canadian Dollars)

	Three Months Ended		Six Months Ended	
	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020
<u>Expenses:</u>				
Administration	\$ 294,416	\$ 206,780	\$ 447,302	\$ 389,075
Depreciation, amortization and accretion	7,554	5,546	14,671	10,605
Professional fees	18,039	146,042	27,014	161,112
Interest and other income	(151)	(91)	(317)	(1,144)
Share of loss of an associate (Note 4)	23,397	17,448	53,910	21,664
Net Loss	343,256	375,725	542,580	581,312
<u>Other Comprehensive (Income) / Loss:</u>				
Foreign currency translation loss (gain)	499,455	(659,682)	1,091,789	(755,703)
Fair value adjustment of investment	-	-	-	832
Comprehensive (Income) / Loss	\$ 842,711	\$ (283,957)	1,634,369	\$ (173,559)
Loss (Earnings) per share - basic and diluted	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.00)
Weighted average number of shares	500,138,336	462,242,272	489,217,953	461,750,193

See Accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.

COPPER FOX METALS INC.
Interim Condensed Consolidated Statements of Changes in Equity *(Unaudited)*
Six Months Ended April 30
(Expressed in Canadian Dollars)

	Share Capital	Share Purchase Warrants	AOCI	Contributed Surplus	Deficit	Total Shareholder's Equity
<i>Balance as at October 31, 2020:</i>	\$ 79,872,399	\$ 2,979,913	\$ 2,239,734	\$ 15,823,771	\$ (25,228,747)	\$ 75,687,070
Warrants exercised	2,023,519	-	-	-	-	2,023,519
Currency translation adjustment	-	-	(1,091,789)	-	-	(1,091,789)
Net loss for the period	-	-	-	-	(542,580)	(542,580)
Balance as at April 30, 2021	\$ 81,895,918	\$ 2,979,913	\$ 1,147,945	\$ 15,823,771	\$ (25,771,327)	\$ 76,076,220

See Accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.

COPPER FOX METALS INC.
Interim Condensed Consolidated Statements of Changes in Equity *(Unaudited)*
Year Ended October 31
(Expressed in Canadian Dollars)

	Share Capital	Share Purchase Warrants	AOCI	Contributed Surplus	Deficit	Total Shareholder's Equity
<i>Balance as at October 31, 2019:</i>	\$ 78,835,530	\$ 1,541,073	\$ 2,044,912	\$ 15,823,771	\$ (23,946,510)	\$ 74,298,776
Impact of adopting IFRS 16	-	-	-	-	(61,965)	(61,965)
Shares issued for cash	1,723,240	-	-	-	-	1,723,240
Share issuance costs	(21,700)	-	-	-	-	(21,700)
Warrants granted	(756,021)	756,021	-	-	-	-
Warrants extended	-	682,819	-	-	(682,819)	-
Warrants exercised	91,350	-	-	-	-	91,350
Currency translation adjustment	-	-	187,393	-	-	187,393
Fair value adjustment of investments	-	-	7,429	-	-	7,429
Net loss for the year	-	-	-	-	(537,453)	(537,453)
Balance as at October 31, 2020	\$ 79,872,399	\$ 2,979,913	\$ 2,239,734	\$ 15,823,771	\$ (25,228,747)	\$ 75,687,070

See Accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.

COPPER FOX METALS INC.

Interim Condensed Consolidated Statements of Cash Flows *(Unaudited)*

Six Months Ended April 30

(Expressed in Canadian Dollars)

	Six Months Ended	
	April 30, 2021	April 30, 2020
Operations:		
Net Loss	\$ (542,580)	\$ (581,312)
<u>Items not affecting cash and cash equivalents</u>		
Depreciation, amortization and accretion	14,671	10,605
Share of loss of an associate	53,910	21,664
Interest expense	11,506	-
Other expenses	(6,646)	-
<u>Changes in non-cash working capital:</u>		
Trade and other receivables	(7,269)	(11,490)
Trade and other payables	(14,703)	49,994
Deposits	921	-
Cash and Cash Equivalents Used In Operating Activities	(490,190)	(510,539)
Investing:		
Mineral property expenditures	(768,349)	(152,313)
Cash and Cash Equivalents Used In Investing Activities	(768,349)	(152,313)
Financing:		
Net proceeds from issuance of shares	2,023,519	1,701,540
Lease payments	(14,839)	-
Cash and Cash Equivalents Provided By Financing Activities	2,008,680	1,701,540
Increase in cash and cash equivalents during the period	750,141	1,038,688
Translation effect of foreign currency	(11,794)	(55,629)
Cash and cash equivalents, beginning of period	491,933	374,507
Cash and Cash Equivalents, End of Period	\$ 1,230,280	\$ 1,357,566

See Accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.

COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)

1. Reporting Entity and Nature of Operations

Copper Fox Metals Inc. (“**Copper Fox**” or the “**Company**”) was incorporated on February 27, 2004 under the Business Corporations Act of Alberta. On July 14, 2010 the Company transferred its registration from Alberta and became incorporated under the Business Corporations Act of British Columbia. The Company is engaged in the exploration for and development of copper mineral properties in Canada and the United States. Copper Fox’s shares trade on the TSX Venture Exchange (“**TSX.V**”) under the trading symbol (“**CUU**”). To date, the Company has not earned any revenue from these operations and is in the exploration and evaluation stage.

The Company maintains its head office at 340 – 12 Avenue SW, Suite 650, Calgary, Alberta. These interim unaudited condensed consolidated financial statements include the accounts of the Company and the accounts of its subsidiaries. Copper Fox’s subsidiaries include:

- 100% ownership of Desert Fox Copper Inc.
 - 100% ownership of Desert Fox Minerals Co.
 - 100% ownership of Desert Fox Sombrero Butte Co.
 - 100% ownership of Desert Fox Van Dyke Co.
- 100% ownership of Northern Fox Copper Inc.
 - 24.30% ownership of District Copper Corp. (“**District**” or “**District Copper**”).

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease has adversely affected workforces, customers, economies, and financial markets globally. It has also disrupted the normal operations of many businesses, including ours. This outbreak could adversely affect and harm our business and results of operations. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business or results of operations at this time.

2. Basis of Presentation and Significant Accounting Policies

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issuance of common shares or obtaining joint venture or property sale agreements for one or more properties.

Statement of Compliance

These interim condensed consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“**IASB**”) and interpretations of the International Financial Reporting Interpretations Committee (“**IFRIC**”).

COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Six Months Ended April 30, 2021 *(Expressed in Canadian Dollars)*

Basis of Preparation

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for certain financial statements, which are measured at fair value. In addition, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These interim condensed consolidated financial statements do not include all of the information required for full annual financial statements.

These interim condensed consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the April 30, 2021 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- Presentation of financial statements

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)

3. Investment

Copper Fox directly owns 29,342 shares of Liard Copper Mines Ltd. (“**Liard**”), a private company incorporated in British Columbia, which represents approximately 1.55% of the issued and outstanding shares of Liard. These shares were originally recorded at a cost value of \$759,305 upon acquisition in two separate 2011 transactions.

During the year ended October 31, 2016, pursuant to a purchase of Liard shares by the Schaft Creek Joint Venture (“**SCJV**”), the Company determined that the value of the Liard shares purchased in 2011 were impaired by \$652,480 and were subsequently written down to the Fair Market Value (“**FMV**”) of \$106,825, which was referenced to a private sale of Liard shares in 2016 (Level 3 of the financial instruments – see Note 12). There were no similar transactions in 2017 - 2020, so the Company determined that the 2016 private sale is the best reference of the FMV of the Liard shares as of April 30, 2021. As such, there was no effect on Other Comprehensive Income for the six months ended April 30, 2021 or the year ended October 31, 2020.

Copper Fox indirectly owns an additional 21.35% of the Liard shares through its SCJV with Teck Resources Limited (“**Teck**”). As these Liard shares are held within a trust account that the Company does not control, the 21.35% ownership of Liard is not reflected in the interim condensed consolidated financial statements.

Liard holds a 30% Net Proceeds Interest in the Schaft Creek project, subject to certain terms and conditions.

4. Investment in Associate

On February 8, 2019, District Copper issued 52,000,000 shares for the purchase of the Stony Lake property and a private placement, both of which Copper Fox did not participate in. As a result, Copper Fox’s ownership percentage of District Copper was diluted from 39.51% to 24.30%, which resulted in a loss of control and deconsolidation of District Copper from Copper Fox’s financial statements. Copper Fox records District Copper as an Investment in Associate under the Equity Method of accounting.

District Copper is publicly traded on the TSX:V and its principal place of business is British Columbia, Canada. The initial recognition of the investment in associate was accounted for at fair value using the closing share price of District Copper on February 8, 2019, multiplied by the number of shares that the Company held of District Copper at that time. The loss on deconsolidation was calculated because of derecognizing the net assets of District Copper, derecognizing the non-controlling interest, and recognizing the fair value of the investment in associate. The investment in associate was assessed for impairment indicators relating to the underlying assets of District Copper in accordance with IAS 36 and IFRS 6.

The six months ended April, 2021 calculation for the Investment in Associate is as follows:

	Amount
Investment in associate as at October 31, 2020	\$ 912,124
Share of loss from associate from November 1, 2020 to April 30, 2021	(53,910)
Investment in Associate as at April 30, 2021	\$ 858,214

COPPER FOX METALS INC.*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)**

	Amount
District Copper's net loss from November 1, 2020 to April 30, 2021	\$ 221,813
Copper Fox's ownership % from November 1, 2020 to April 30, 2021	24.30%
Share of loss of an associate for the period ending April 30, 2021	\$ 53,910

The year ended October 31, 2020 calculation for the investment in associate is as follows:

	Amount
Investment in associate as at October 31, 2019	\$ 933,788
Share of loss from associate from November 1, 2019 to October 31, 2020	(21,664)
Investment in Associate as at October 31, 2020	\$ 912,124

	Amount
District Copper's net loss from November 1, 2019 to April 30, 2020	\$ 89,135
Copper Fox's ownership % from November 1, 2019 to April 30, 2020	24.30%
Share of loss of an associate for the period ending April 30, 2020	\$ 21,664

The following table illustrates the summarized financial information of District Copper:

Description	October 31, 2020	April 30, 2021
Current assets	\$ 228,225	\$ 285,206
Non-current assets	2,494,119	2,746,495
Current liabilities	249,243	274,261
Loss for the year/period	426,734	221,813

COPPER FOX METALS INC.*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)****5. Exploration and Evaluation Assets**

	Balance October 31, 2020	Additions	Balance April 30, 2021
<i>Arizona Properties:</i>			
<u>Van Dyke Project</u>			
Acquisition of property rights	\$ 2,585,093	\$ -	\$ 2,585,093
Technical analysis	6,585,445	121,139	6,706,584
Licenses and permits	56,029	-	56,029
Foreign exchange	1,560,750	(836,566)	724,184
Total Van Dyke Project	10,787,317	(715,427)	10,071,890
<u>Sombrero Butte Project</u>			
Acquisition of property rights	1,006,239	-	1,006,239
Technical analysis	956,023	4,985	961,008
Licenses and permits	64,466	-	64,466
Foreign exchange	330,425	(182,078)	148,347
Total Sombrero Butte Project	2,357,153	(177,093)	2,180,060
<u>Mineral Mountain Project</u>			
Technical analysis	786,534	3,182	789,716
Foreign exchange	7,066	(61,351)	(54,285)
Total Mineral Mountain Project	793,600	(58,169)	735,431
Total Arizona Properties	13,938,070	(950,689)	12,987,381
<i>British Columbia Properties:</i>			
<u>Schaft Creek</u>			
Acquisition of property rights	3,053,755	-	3,053,755
Technical analysis	61,935,628	217,037	62,152,665
Licenses and permits	106,623	-	106,623
BC Mineral Exploration Tax Credit	(3,575,505)	-	(3,575,505)
Total Schaft Creek	61,520,501	217,037	61,737,538
<u>Eaglehead</u>			
Property acquisition	-	150,000	150,000
Technical analysis	-	60,006	60,006
BC Mineral Exploration Security	-	212,000	212,000
Total Eaglehead	-	422,006	422,006
Total British Columbia Properties	61,520,501	639,043	62,159,544
Total Mineral Properties	\$ 75,458,571	\$ (311,646)	\$ 75,146,925

COPPER FOX METALS INC.*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)**

	Balance October 31, 2019	Additions	Balance October 31, 2020
<i>Arizona Properties:</i>			
<u>Van Dyke Project</u>			
Acquisition of property rights	\$ 2,585,093	\$ -	\$ 2,585,093
Technical analysis	6,189,651	395,794	6,585,445
Licenses and permits	56,029	-	56,029
Foreign exchange	1,461,840	98,910	1,560,750
Total Van Dyke Project	10,292,613	494,704	10,787,317
<u>Sombrero Butte Project</u>			
Acquisition of property rights	952,423	53,816	1,006,239
Technical analysis	876,551	79,472	956,023
Licenses and permits	64,466	-	64,466
Foreign exchange	300,638	29,787	330,425
Total Sombrero Butte Project	2,194,078	163,075	2,357,153
<u>Mineral Mountain Project</u>			
Technical analysis	631,028	155,505	786,533
Foreign exchange	(355)	7,421	7,066
Total Mineral Mountain Project	630,673	162,926	793,599
Total Arizona Properties	13,117,365	820,705	13,938,070
<i>British Columbia Property:</i>			
<u>Schaft Creek</u>			
Acquisition of property rights	3,053,755	-	3,053,755
Technical analysis	61,924,633	10,995	61,935,628
Licenses and permits	106,623	-	106,623
BC Mineral Exploration Tax Credit	(3,575,505)	-	(3,575,505)
Total Schaft Creek	61,509,506	10,995	61,520,501
Total Mineral Properties	\$ 74,626,871	\$ 831,700	\$ 75,458,571

Schaft Creek Joint Venture

Copper Fox's primary asset is a 25% direct and indirect working interest in the Schaft Creek Joint Venture ("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 Ltd. Liard holds a 30% Net Proceeds Interest in the Schaft Creek project subject to certain terms and conditions. Royal Gold, Inc. holds a 3.5% Net Proceeds Interest in certain mineral claims which are part of the SCJV.

Teck is the operator of the SCJV and is responsible for, in addition to other obligations, \$60 million in milestone payments (\$20 million received) and funding of the first \$60 million in pre-production expenditures. After the first \$60 million has been funded by Teck, the pre-production expenditures would be split based on the ownership percentage, with Copper Fox's remaining milestone payments (\$40 million)

COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)

being applied prior to the Company contributing cash. As of April 30, 2021, Teck has funded approximately \$19 million towards the Schaft Creek project since mid-2013 (Note 11).

Van Dyke Project

In 2012, Copper Fox acquired 100% of the Van Dyke copper project located in Miami, Arizona. Acquisition costs were \$500,000 in cash to Bell Copper, \$1,499,400 (US\$1,500,000) to the Vendors (owners of the Van Dyke project) and assumption of obligations in respect of the Van Dyke project, subject to certain amended terms and conditions. The Vendors retained a 2.5% Net Smelter Return (“NSR”) production royalty from the Van Dyke deposit. As of April 30, 2021, Copper Fox has incurred \$10,071,889 (US\$8,193,536) in expenditures.

Sombrero Butte Project

In 2012, Copper Fox acquired the rights, provided all option payments are made when due, to 100% of Bell Copper’s Sombrero Butte property located in the Bunker Hill Mining District, 44 miles northeast of Tucson, Arizona.

Acquisition costs were \$500,000 in cash and an assumption of Bell Copper’s remaining option obligation on the property of \$599,760 (US\$600,000). In 2016, Copper Fox re-negotiated the continuing obligation on the property to a US\$40,000 annual payment. As at April 30, 2021 the option obligation outstanding is US\$40,000. Upon completion of these annual payments, Copper Fox will hold an undivided 100% interest in the Sombrero Butte property. As of April 30, 2021, Copper Fox has incurred \$2,180,061 (US\$1,773,139) in expenditures on Sombrero Butte.

Mineral Mountain Project

Mineral Mountain is in Arizona and is 100% wholly owned by Copper Fox. As of April 30, 2021, the Company has incurred \$735,430 (US\$598,158) in expenditures.

Eaglehead Project

In February 2020, Northern Fox Copper Inc. (“Northern Fox”), a wholly owned subsidiary of the Company, entered into an agreement with District Copper to purchase the Eaglehead project for \$1,200,000 (\$200,000 paid), the assumption by Northern Fox of reclamation bonds of \$212,000 and the reservation of a 0.5% net smelter return royalty for District Copper on any future production. On March 10, 2021, the Company received the Mines Act permit from the BC Ministry of Energy and Mines which allowed the Company to proceed with the acquisition of the Eaglehead project and on April 19, 2021, the Company completed the purchase agreement. The remaining \$1-million will be paid to District Copper in three annual instalments of \$340,000, \$330,000 and \$330,000, respectively, on each anniversary following closing on April 19, 2021.

COPPER FOX METALS INC.*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)****6. Property and Equipment**

	Asset Retirement	Buildings	Computer Equipment	Furniture & Equipment	Heavy Equipment	Amount
<u>Cost</u>						
At October 31, 2019	\$ 133,993	\$ 137,250	\$ 82,544	\$ 46,887	\$ 173,332	\$ 574,006
Additions	(602)	-	-	-	-	(602)
At October 31, 2020	133,391	137,250	82,544	46,887	173,332	573,404
Additions	2,478	-	-	-	-	2,478
At April 30, 2021	\$ 135,869	\$ 137,250	\$ 82,544	\$ 46,887	\$ 173,332	\$ 575,882
<u>Depreciation</u>						
At October 31, 2019	\$ 124,032	\$ 100,796	\$ 79,110	\$ 43,484	\$ 169,886	\$ 517,308
Additions	9,359	3,645	1,030	680	1,034	15,748
At October 31, 2020	133,391	104,441	80,140	44,164	170,920	533,056
Additions	2,478	1,641	361	273	362	5,114
At April 30, 2021	\$ 135,869	\$ 106,082	\$ 80,501	\$ 44,437	\$ 171,282	\$ 538,170
<u>Net Book Value</u>						
At October 31, 2020	\$ -	\$ 32,809	\$ 2,404	\$ 2,723	\$ 2,412	\$ 40,348
At April 30, 2021	\$ -	\$ 31,168	\$ 2,043	\$ 2,450	\$ 2,050	\$ 37,712

COPPER FOX METALS INC.*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three and Six Months Ended April 30, 2021** (Expressed in Canadian Dollars)**7. Right of Use Assets and Lease Liabilities****Right-of-Use Assets**

	Office Lease
<u>Cost</u>	
At October 31, 2018 and 2019	\$ -
Adjustment on initial adoption of IFRS 16	98,779
At October 31, 2020	98,779
Additions for the period	-
At April 30, 2021	\$ 98,779
<u>Depreciation</u>	
At October 31, 2018 and 2019	\$ -
Charge for the year	9,878
At October 31, 2020	9,878
Additions for the period	4,926
At April 30, 2021	\$ 14,804
<u>Net Book Value</u>	
At October 31, 2020	\$ 88,901
At April 30, 2021	\$ 83,975

Depreciation of right-of-use assets is calculated using the straight-line method over the remaining lease term.

Lease Liabilities

	October 31, 2020	April 30, 2021
Beginning balance - Adjustment on initial adoption of IFRS 16	\$ 160,744	\$ 154,778
Lease payments made	(29,678)	(14,839)
Interest expense on lease liabilities	23,712	11,506
	154,778	151,445
Less current portion	29,678	29,678
Non-current portion	\$ 125,100	\$ 121,767

The remaining minimum future lease payments, excluding estimated operating costs, for the term of the lease including assumed renewal periods are as follows:

	Amount
Fiscal 2021	\$ 14,839
Fiscal 2022	29,678
Fiscal 2023	32,376
Fiscal 2024	32,376

COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)

8. Decommissioning Liability

The Company's decommissioning liability relates to its share of reclamation and closure costs for the Schaft Creek property. The total decommissioning liability is based on the Company's proportion of estimated future costs necessary to reclaim the property and facilities.

The Company estimated the net present value of its share of the decommissioning liability of Schaft Creek to be \$179,850 as at April 30, 2021 (October 31, 2020 - \$179,387) based on an undiscounted and inflated future liability of \$181,312 (October 31, 2020 - \$181,062).

The Company's estimated risk-free rate of 1.46% (October 31, 2020 – 0.59%) and inflation rate of 1.63% (October 31, 2020 – 0.93%) were used to calculate the present value of the decommissioning liabilities.

	Amount
At October 31, 2020	\$ 179,387
Accretion	1,421
Revisions	(958)
At April 30, 2021	\$ 179,850

	Amount
At October 31, 2019	\$ 177,968
Accretion	2,353
Revisions	(934)
At October 31, 2020	\$ 179,387

9. Share Capital

Authorized

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 April 30, 2021, the issued and outstanding shares are as follows:

	Number of Shares	Amount
At October 31, 2020	491,009,829	\$ 79,872,399
Additions		
Warrants exercised	13,852,168	2,023,519
At April 30, 2021	504,861,997	\$ 81,895,918

COPPER FOX METALS INC.*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)**

As of October 31, 2020, the issued and outstanding shares are as follows:

	Number of Shares	Amount
<u>At October 31, 2019</u>	461,274,160	\$ 78,835,530
Additions		
March 26, 2020 private placement	24,699,002	1,481,940
March 26, 2020 warrants granted	-	(638,816)
April 27, 2020 private placement	4,021,667	241,300
April 27, 2020 warrants granted	-	(117,205)
October 30, 2020 warrants exercised	1,015,000	91,350
Share issuance costs - Legal fees	-	(21,700)
At October 31, 2020	491,009,829	\$ 79,872,399

During the six months ended April 30, 2021, the Company incurred the following shares issuances:

13,852,168 warrants were exercised for net proceeds of \$2,023,519.

During the year ended October 31, 2020, the Company incurred the following shares issuances:

On March 26, 2020, the Company closed the first tranche of a non-brokered private placement, raising aggregate gross proceeds of \$1,481,940 through the sale of 24,699,002 units at a price of \$0.06 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share for an exercise price of \$0.09 during the 36-month period after the closing of the offering and \$0.12 during the 12-month period thereafter. If the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above \$0.15, 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 \$21,700 were paid in connection with this private placement.

On April 27, 2020, the Company closed the second tranche of a non-brokered private placement, raising aggregate gross proceeds of \$241,300 through the sale of 4,021,667 units at a price of \$0.06 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share for an exercise price of \$0.09 during the 36-month period after the closing of the offering and \$0.12 during the 12-month period thereafter. If the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above \$0.15, the expiry date of the warrants will be accelerated to a date that is 30 days after the first date such threshold is met.

1,015,000 warrants were exercised for net proceeds of \$91,350.

COPPER FOX METALS INC.*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)****Warrants**

As of April 30, 2021, the warrants outstanding are as follows:

	Number of Warrants	Amount
<u>At October 31, 2020</u>	58,342,334	\$ 2,979,913
Additions		
Warrants exercised	(13,852,168)	-
At April 30, 2021	44,490,166	2,979,913

As of October 31, 2020, the warrants outstanding are as follows:

	Number of Warrants	Amount
<u>At October 31, 2019</u>	30,636,665	\$ 1,541,073
Additions		
March 26, 2020 warrants granted	24,699,002	638,816
April 27, 2020 warrants granted	4,021,667	117,205
June 14, 2018, June 30 and July 27, 2020 warrants extended	-	682,819
Warrants exercised	(1,015,000)	-
At October 31, 2020	58,342,334	2,979,913

The value of the March 26, 2020 warrants granted of \$638,816 were calculated using Black Sholes with an exercise price of \$0.09 in the first three years and \$0.12 in the fourth year, an expected life of four years, a volatility rate of 70.90% and a risk-free rate of 0.73%.

The value of the April 27, 2020 warrants granted of \$117,205 were calculated using Black Sholes with an exercise price of \$0.09 in the first three years and \$0.12 in the fourth year, an expected life of four years, a volatility rate of 63.95% and a risk-free rate of 0.42%.

The Company extended the June 14, 2018 warrants by one year. The value of the June 14, 2018 warrant extensions were calculated using Black Sholes with an exercise price of \$0.15, an expected life of one year, a volatility rate of 86.12% and a risk-free rate of 0.26%. The fair value incremental change of \$122,987 was recognized.

The Company extended the June 30, 2020 warrants by one year. The value of the June 30, 2020 warrant extensions were calculated using Black Sholes with an exercise price of \$0.17, an expected life of one year, a volatility rate of 84.69% and a risk-free rate of 0.25%. The fair value incremental change of \$142,580 was recognized.

The Company extended the July 27, 2020 warrants by one year. The value of the July 27, 2020 warrant extensions were calculated using Black Sholes with an exercise price of \$0.17, an expected life of one year, a volatility rate of 88.84% and a risk-free rate of 0.24%. The fair value incremental change of \$417,252 was recognized.

COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)

The breakdown of the warrants outstanding is as follows:

Number of Warrants Outstanding	Warrant Exercise Price (\$)	Warrants Exercisable as of April 30, 2021	Warrant Expiry Date
4,555,500	0.15	4,555,500	June 14, 2021
7,391,000	0.17	7,391,000	June 30, 2021
7,126,999	0.17	7,126,999	July 27, 2021
22,450,000	0.09 - 0.12	22,450,000	March 26, 2024
2,966,667	0.09 - 0.12	2,966,667	April 24, 2024
44,490,166		44,490,166	

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 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 April 30, 2021, the Company had no options outstanding and there was no stock option activity for the periods presented.

10. Related Party Transactions

Copper Fox

During the six months ended April 30, 2021, legal fees of \$24,750 (April 30, 2020 - \$184,042) were paid to Farris, Vaughan, Wills & Murphy LLP ("Farris"). As at April 30, 2021, included in accounts payable to Farris was \$16,572 (October 31, 2020 - \$1,845). One of the partners at Farris' is a member of Copper Fox's Board.

As of April 30, 2021, included in accounts receivable to Copper Fox was \$41,660 (October 31, 2020 - \$41,660) due from District Copper.

COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)

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 for the Quarter are as follows:

	April 30, 2020	April 30, 2021
Directors fees	\$ 1,000	\$ 1,000
Accounting fee	-	4,000
Salaries and consulting fees	169,750	169,750
Total	\$ 170,750	\$ 174,750

11. Commitments

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.

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 at the Prime Rate plus 2%, 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 (Note 5).

COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)

Sombrero Butte

The Company is committed to pay the final yearly option payment totalling \$49,180 (US \$40,000) under the Sombrero Butte acquisition agreement to earn 100% interest in two patented claims and seventeen unpatented mining claims. The final payment is due on October 15, 2021 (Note 5).

12. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivables, deposits, investment, accounts payables and accrued liabilities and lease liabilities. The estimated fair value of cash and cash equivalents, amounts receivable, deposits and accounts payable approximate their carrying value due to the immediate or relatively short period to maturity. Investments are measured at fair value using Level 1 or Level 3 inputs. The fair value of lease liabilities are initially recorded at fair value and subsequently carried at amortized cost using rates comparable to market interest rates.

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 number of observable inputs used to value the instrument:

- *Level 1* – observable inputs such as quoted prices in active markets.
- *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 is carried every year at fair value and is a Level 3 instrument (Note 3).

The Company's activities expose it to a variety of financial risks, which arise because 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 April 30, 2021 is \$57,401 (October 31, 2020 - \$50,132).

COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Six Months Ended April 30, 2021 *(Expressed in Canadian Dollars)*

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 because of changes in foreign exchange rates. During the six months ended April 30, 2021 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 April 30, 2021, the Company had \$16,129 in US denominated cash balances.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates.

As of April 30, 2021, the Company is exposed only on its cash balances.

Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate because 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.

COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three and Six Months Ended April 30, 2021 (Expressed in Canadian Dollars)

13. Capital Management

The Company considers its capital structure to consist of share capital, share options and warrants. The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management.

The mineral properties in which the Company currently has an interest in are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. Additional sources of funding, which may not be available on favourable terms, if at all, include share equity and debt financings; equity, debt or property level joint ventures; and sale of interests in existing assets. To carry out the planned exploration and development and pay for operating expenses, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the six months ended April 30, 2021. The Company is not subject to externally imposed capital requirements. The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments; all held within major Canadian financial institutions.

14. Geographic Segments

	Three Months Ended		Six Months Ended	
	April 30, 2020	April 30, 2021	April 30, 2020	April 30, 2021
<i>Net Loss:</i>				
Canada	\$ 370,592	\$ 337,082	\$ 570,477	\$ 532,444
United States	5,133	6,174	10,835	10,136
Totals	\$ 375,725	\$ 343,256	\$ 581,312	\$ 542,580

	October 31, 2020	April 30, 2021
<i>Current Assets:</i>		
Canada	\$ 527,326	\$ 1,267,851
United States	14,739	19,830
<i>Non-Current Assets:</i>		
Canada	62,586,646	62,514,425
United States	13,950,056	13,648,238
Totals Assets	\$ 77,078,767	\$ 77,450,344

15. Subsequent Events

Warrants exercised

Subsequent to period ended, 12,197,168 warrants were exercised for proceeds to the Company of \$1,931,409 and the issuance of the same number of common shares.