



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

Quarterly Highlights

For the Three Months Ended January 31, 2022

As of March 28, 2022

COPPER FOX METALS INC.

*Management's Discussion and Analysis of Financial Condition and Results of Operations
Quarterly Highlights*

For the Three Months Ended January 31, 2022 (Expressed in Canadian Dollars)

1. OVERVIEW AND INTRODUCTORY COMMENT

Copper Fox is a Canadian based resource company with a Tier 1 listing on the TSX Venture Exchange (“**TSX:V**”) under the trading symbol “**CUU**” and on the OTCQX® Best Market (“**OTCQX**”) under the symbol “**CPF XF**”. 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, Canada.

Copper Fox recognizes environmental, social and governance (“**ESG**”) best practices as key components to responsible mineral exploration and development. The Company’s exploration programs are conducted to meet or exceed environmental regulations, while respecting the communities and environments in which we operate. Copper Fox strives to earn its social license with local and Indigenous communities by meeting with stakeholders, regulators, and other concerned parties before, and during, exploration work to understand traditional and cultural issues important to these communities. Copper Fox’s approach is based on transparency, open communication, inclusivity, and respect, to better enable social and economic benefit for communities as well as value for investors.

Copper Fox has a pipeline of high-quality operated and non-operated exploration and advanced staged porphyry and in-situ copper recovery (“**ISCR**”) projects in proven mining districts in North America providing the Company with the ability to increase value through exploration and advanced stage development studies. 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 and its 100% owned Van Dyke copper project located in Miami, Arizona.

Copper Fox’s wholly owned subsidiaries Desert Fox Copper Inc. (“**Desert Fox**”) and Northern Fox Copper Inc. (“**Northern Fox**”) were established to manage all future exploration and development activities, including equity interest acquired in other mineral projects within North America. Desert Fox holds the US assets of the Company and Northern Fox holds the Eaglehead project and the investment in District Copper Corp. Desert Fox’s wholly owned subsidiaries Desert Fox Minerals Co, Desert Fox Van Dyke Co, and Desert Fox Sombrero Butte Co, hold mineral tenures located in Pinal and Gila Counties, which are all located in the Laramide age porphyry copper belt in Arizona. Northern Fox holds the Eaglehead project located in northwestern British Columbia.

This management’s discussion and analysis (“**MD&A**”) should be read in conjunction with the Company’s unaudited interim condensed consolidated financial statements and the related notes for the three months ended January 31, 2022, and the Company’s audited consolidated financial statements for the year ended October 31, 2021, and the related notes thereto.

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.

All amounts expressed are in Canadian dollars unless otherwise stated. The MD&A is current as of March 28, 2022, and was reviewed, approved, and authorized for issue by the Company’s Board of Directors on the aforementioned date.

COPPER FOX METALS INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations
Quarterly Highlights

For the Three Months Ended January 31, 2022 (Expressed in Canadian Dollars)

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. MAJOR QUARTERLY OPERATING MILESTONES

Schaft Creek Joint Venture ("SCJV")

On November 5, 2021, the Company filed on SEDAR the NI 43-101 technical report which included the results of a Preliminary Economic Assessment for the Schaft Creek project.

On March 7, 2022, the Company announced the analytical results for the four-hole 2021 metallurgical drilling program from the Schaft Creek Project. The drilling intersected a broad range of metal grades representative of the metal grade range for the Schaft Creek deposit. All four drill holes ended in mineralization above the cut-off grade used in the updated resource estimation completed in early 2021.

On March 10, 2022, The Company announced the 2022 program and budget for the Schaft Creek project. The main components of the program include, a proposed 5,000m drilling program, updating the permitting timeline with the current project configuration, environmental and climatological studies, and engagement with the Tahltan Nation. The 2022 program is estimated to cost \$6.6 million.

Van Dyke Project

On November 29, 2021, the Company provided an update on its Van Dyke ISCR project. Montgomery & Associates completed an order of magnitude (plus/minus 30%) estimate of the timeline, costs and data/surveys required to complete the hydrogeological portion of the pre-application and formal permitting process for the Van Dyke project.

Sombrero Butte Project

On February 9, 2022, the Company provided its 2022 exploration plan for the Sombrero Butte project. A high sensitivity airborne magnetic and radiometric survey over the property and mapping of a Laramide age stock located on the south end of the project is planned. The magnetic data can be used to locate interpreted potassic altered, late stage buried intrusives and identification of low Th/K anomalies due to an increase in potassium concentration related to potassic alteration phase of a porphyry system. It is expected that this approach would more precisely locate and estimate the depth to the top of the porphyry system within the currently defined 3,000m long chargeability target. The budget for the Sombrero Butte project is \$35,000.

COPPER FOX METALS INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations
Quarterly Highlights

For the Three Months Ended January 31, 2022 (Expressed in Canadian Dollars)

Mineral Mountain Project

On February 9, 2022, the Company provided its 2022 exploration plan for the Mineral Mountain project. Geochemical vectoring and mineralogical associations suggest that the main part of the porphyry system lies at an undetermined depth below surface. A high sensitivity airborne magnetic and radiometric survey is planned. The magnetic data can be used to locate interpreted late stage buried intrusives with associated potassic alteration halos and identification of low Th/K anomalies due to an increase in potassium concentration related to potassic alteration phase of the porphyry system. The combination of magnetic and radiometric data should more precisely locate and estimate the depth to the top of the porphyry system within a 2,900m by 1,300m chargeability anomaly. In addition to the airborne magnetic survey, a property wide deep penetrating Induced Polarization ("IP") survey, to better define the chargeability and resistivity signatures associated with any late-stage intrusive stocks identified by the magnetization vector inversion ("MVI") study, is planned. Completion of the IP survey will be decided after receipt of the results of the airborne survey. The estimated cost of the 2022 airborne survey is \$45,000. The budget increases to \$220,000 if the IP survey is completed.

Eaglehead Property

On November 10, 2021, the Company provided an update on the exploration activities completed during the 2021 field program on its Eaglehead property.

On January 6, 2022, the Company provided an update on its Eaglehead project that included the identification of several chemically distinct intrusive phases and extending the porphyry 'footprint' approximately 3km to the southeast to include the Far East zone. Highlights of the re-logging and sampling program include; four intervals of Cu-Mo-Au-Ag mineralization, from 70.26m to 160.32m in DDH-066, including a 12.56m interval that returned a weighted average of 0.473% Cu, 0.013% Mo, 0.119g/t Au and 7.53g/t Ag, and DDH-078 contained a 7.17m interval that returned a weighted average of 0.276% Cu, 0.003% Mo, 0.732g/t Au and 6.85 g/t Ag.

On January 20, 2022, the Company released an update on the geophysical modelling on its Eaglehead property. Highlights included, the MVI study identified five areas, interpreted to represent late-stage intrusive plugs with associated potassic (magnetite) alteration. Four of the interpreted late-stage intrusive plugs exhibit a strong spatial correlation to the Thibert fault system and exhibit a strong positive correlation to known areas of copper mineralization and copper-molybdenum in-soil geochemical anomalies. The compilation indicates the main portion of the porphyry could be to the north and at depth below the near surface mineralized zones.

On February 1, 2022, the Company provided the results of the ORION Swath DCIP survey and the details of a mineral tenure exchange on its Eaglehead property. The ORION survey located an open ended, 2,500m by 1,200m, northerly dipping positive chargeability (greater than 10 mrad (milliradians)) on the northern flank of one of the intrusive centres identified by the MVI study. The chargeability anomaly underlies a large area of copper mineralization in outcrop/subcrop and coincident copper-molybdenum in-soil geochemical anomaly located north of the Pass-Camp zones.

COPPER FOX METALS INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations *Quarterly Highlights*

For the Three Months Ended January 31, 2022 (Expressed in Canadian Dollars)

On February 9, 2022, the Company provided its 2022 exploration plan for the Eaglehead property. The program is focussed on demonstrating continuity of the polymetallic porphyry mineralization in the 500m long gap between the East and Bornite zones. Four drill holes, spaced at 125m intervals, totalling 2,500m are planned to test the 500m long zone. Continuity of the mineralization between these zones would yield a mineralized zone exceeding 2,000m in strike length. Metallurgical testwork (lock-cycle testing, BWi and Ab) water quality and archeological surveys are also planned. The Notice of Work and application for the Archeological permit have been submitted for review and approval and completion of the 2022 work program is contingent on receipt of these permits and availability of service providers. The 2022 program has been budgeted at \$830,000.

3. INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

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.

Copper Fox has no long-term debt or long-term liabilities, other than its decommissioning provision of \$421,000, the long-term promissory note for the Eaglehead acquisition of \$583,670, its deferred tax liability of \$713,258 and its office lease liability of \$136,930.

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 Eaglehead, 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, 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.

Major expenditures are required to establish mineral reserves 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.

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.

Liquidity

As at January 31, 2022, Copper Fox had working capital of \$1,881,331 (October 31, 2021 – \$2,265,019). As at January 31, 2022, the Company's cash position was \$2,203,546 (October 31, 2021 - \$2,646,608). The working capital decreased during the three months ended January 31, 2022, compared to the year

COPPER FOX METALS INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations Quarterly Highlights

For the Three Months Ended January 31, 2022 (Expressed in Canadian Dollars)

ended October 31, 2021, due to \$299,990 spent in operating activities, \$182,041 used in the mineral property expenditures and \$7,420 in office lease payments.

Operations

For the three months ended January 31, 2022, compared with the three months ended January 31, 2021:

For the three months ended January 31, 2022, the Company recorded a net loss of \$248,719 or \$0.00 per share compared to a net loss of \$199,324 or \$0.00 per share in the comparable prior period. The Company's quarterly administration expenses increased in Q1 2022 compared to Q1 2021 due to the increases in investor relation fees because of the increase in shareholder communications related to the Company's exploration programs. The Company did not record its share of loss of an associate in Q1 2022 compared to recording its share of loss of an associate in Q1 2021 since the Company ceased having significant influence on District Copper effective November 1, 2021.

4. COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

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.

COPPER FOX METALS INC.

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

Quarterly Highlights

For the Three Months Ended January 31, 2022 (Expressed in Canadian Dollars)

Office Lease

The Company has an office lease expiring on October 31, 2024, with a renewal clause until October 31, 2029.

5. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there was no significant transaction between related parties other than the normal course of business.

6. RISKS FACTORS

In our MD&A filed on SEDAR February 25, 2022 in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risk factors which we believe are the most significant risks faced by Copper Fox. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

7. DISCLOSURE OF OUTSTANDING SHARE CAPITAL DATA

The authorized share capital of the Company 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.

	Issued and Outstanding	
	January 31, 2022	March 28, 2022
Common shares outstanding	524,185,496	524,185,496
Warrants	25,116,667	25,116,667
Fully diluted common shares outstanding	549,302,163	549,302,163

COPPER FOX METALS INC.

*Management's Discussion and Analysis of Financial Condition and Results of Operations
Quarterly Highlights*

For the Three Months Ended January 31, 2022 *(Expressed in Canadian Dollars)*

Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties, and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.