Unaudited Interim Condensed Consolidated Financial Statements

For the Three and Six Months Ended April 30, 2022

(Expressed in Canadian Dollars)

(Unaudited)

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)

	Note	**April 30, 2022**	October 31, 2021
Assets			
Current assets:			
Cash and cash equivalents		**$ 1,314,535**	$ 2,646,608
Trade and other receivables		**55,140**	77,430
Total Current Assets		**1,369,675**	2,724,038
Non-current assets:			
Deposits		**11,565**	11,148
Investments	4	**1,005,473**	106,825
Investment in associate	5	**-**	833,088
Reclamation bond	6	**212,000**	212,000
Exploration & evaluation assets	6	**78,279,687**	77,395,030
Property and equipment	7	**32,877**	35,077
Right-of-use asset	9	**74,097**	79,036
Total Assets		**$ 80,985,374**	$ 81,396,242
Liabilities and Shareholders' Equity			
Current liabilities:			
Trade and other payables		**$ 108,796**	$ 211,829
Promissory note - current	8	**239,152**	239,152
Office lease liability - current	9	**7,055**	8,038
Total Current Liabilities		**355,003**	459,019
Non-current liabilities:			
Decommissioning liabilities	10	**421,000**	421,000
Deferred tax liabilities	14	**713,258**	713,258
Promissory note - long term	8	**303,826**	583,670
Office lease liability - long term	9	**136,930**	139,816
Total Liabilities		**1,930,017**	2,316,763
Shareholders' Equity:			
Share capital	11	**85,065,803**	85,065,803
Share purchase warrants	11	**2,979,913**	2,979,913
Accumulated other comprehensive income		**1,887,847**	1,299,967
Reserves		**15,823,771**	15,823,771
Deficit		**(26,701,977)**	(26,089,975)
Total Shareholders' Equity		**79,055,357**	79,079,479
Total Liabilities and Shareholders' Equity		**$ 80,985,374**	$ 81,396,242

Reporting entity and nature of operations (Note 1)
Commitments (Note 13)

Approved on behalf of the Board of Directors on June 6, 2022

"J. Michael Smith" "Elmer B. Stewart"

J. Michael Smith, Director 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)

	Note	Three Months Ended		Six Months Ended	
		April 30, 2022	April 30, 2021	**April 30, 2022**	April 30, 2021
Expenses:					
Administration	12	**$ 235,273**	$ 294,416	**$ 460,659**	$ 447,302
Depreciation, amortization and accretion	7, 9, 10	**3,570**	7,554	**7,139**	14,671
Professional fees	12	**65,556**	18,039	**86,896**	27,014
Interest and other income		**(1,276)**	(151)	**(2,852)**	(317)
Interest expense on promissory note		**60,160**	-	**60,160**	-
Share of loss of an associate	5	**-**	23,397	**-**	53,910
Net Loss		**363,283**	343,255	**612,002**	542,580
Other Comprehensive Loss:					
Foreign currency translation loss (gain)		**(113,481)**	499,455	**(522,320)**	1,091,789
Fair value adjustment of investments	4	**(366,116)**	-	**(65,560)**	-
Comprehensive (Income) Loss		**$ (116,314)**	$ 842,710	**$ 24,122**	$ 1,634,369
(Earnings) Loss per share - basic and diluted		**$ (0.00)**	$ 0.00	**$ 0.00**	$ 0.00
Weighted average number of shares		**524,185,496**	500,138,336	**524,185,496**	489,217,953

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, 2022

(Expressed in Canadian Dollars)

	Number of Shares	**Share Capital**	**Share Purchase Warrants**	**AOCI**	**Reserves**	**Deficit**	**Total Shareholders' Equity**
Balance as at October 31, 2020:	491,009,829	$ 79,872,399	$ 2,979,913	$ 2,239,734	$ 15,823,771	$ (25,228,747)	$ 75,687,070
Warrants exercised	13,852,168	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	504,861,997	81,895,918	2,979,913	1,147,945	15,823,771	(25,771,327)	76,076,220
Warrants exercised	19,323,499	3,169,885	-	-	-	-	3,169,885
Currency translation adjustment	-	-	-	152,022	-	-	152,022
Net loss for the period	-	-	-	-	-	(318,648)	(318,648)
Balance as at October 31, 2021	**524,185,496**	**85,065,803**	**2,979,913**	**1,299,967**	**15,823,771**	**(26,089,975)**	**79,079,479**
Currency translation adjustment	-	-	-	522,320	-	-	522,320
Fair value adjustment of investments	-	-	-	65,560	-	-	65,560
Net loss for the period	-	-	-	-	-	(612,002)	(612,002)
Balance as at April 30, 2022	**524,185,496**	**$ 85,065,803**	**$ 2,979,913**	**$ 1,887,847**	**$ 15,823,771**	**$ (26,701,977)**	**$ 79,055,357**

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

COPPER FOX METALS INC.

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

Three and Six Months Ended April 30

(Expressed in Canadian Dollars)

	Six Months Ended	
	April 30, 2022	April 30, 2021
Operations:		
Net Loss	**$ (612,002)**	$ (542,580)
Items not affecting cash and cash equivalents		
Depreciation, amortization and accretion	**7,139**	14,671
Share of loss of an associate	**-**	53,910
Interest expense	**71,126**	11,506
Other expenses	**-**	(6,646)
Changes in non-cash working capital:		
Trade and other receivables	**22,290**	(7,269)
Trade and other payables	**(103,033)**	(14,703)
Deposits	**-**	921
Cash and Cash Equivalents Used In Operating Activities	**(614,480)**	(490,190)
Investing:		
Mineral property expenditures	**(376,743)**	(768,349)
Cash and Cash Equivalents Used In Investing Activities	**(376,743)**	(768,349)
Financing:		
Net proceeds from issuance of shares	**-**	2,023,519
Office lease payments	**(14,839)**	(14,839)
Promissory note payment	**(340,000)**	-
Cash and Cash Equivalents (Used In) Provided By Financing Activities	**(354,839)**	2,008,680
Change in cash and cash equivalents during the period	**(1,346,062)**	750,141
Translation effect of foreign currency	**13,989**	(11,794)
Cash and cash equivalents, beginning of period	**2,646,608**	491,933
Cash and Cash Equivalents, End of Period	**$ 1,314,535**	$ 1,230,280

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

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** and effective September 7, 2021, the Company's shares trade on the **OTCQX** under the symbol **CPFXF**. 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 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.

Going Concern

The recoverability of amounts shown for resource properties and related exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company is currently exploring its mineral properties and managing its investment in the joint venture interest in the Schaft Creek project. During the six months ended April 30, 2022, the Company incurred a net comprehensive loss of $24,122 (six months ended April 30, 2021 - $1,634,369), the Company's cash position at April 30, 2022 was $1,314,535 (October 31, 2021 - $2,646,608) and its working capital was $1,014,672 (October 31, 2021 - $2,265,019). The Company has concluded that the working capital as held at April 30, 2022 is insufficient to fund the Company's expenditures over the next twelve months and it has implemented a strict capital management program to monitor the cash outflows. Management plans to raise the needed funds through the exercising of warrants. Should management be unable to raise sufficient funds solely through the exercising of warrants, then the Company would conduct a private placement. If management were still unsuccessful in raising the additional funds necessary, they would sell one or more of the Company's properties. Management has been successful in the past in raising required equity financing and believes they will be able to do so again.

1. Reporting Entity and Nature of Operations (continued)

The conditions described above indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Many factors influence the Company's ability to raise funds, and there is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital. These financial statements do not contain any adjustments to the amounts that may be required should the Company be unable to continue as a going concern. Such adjustments could be material.

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**").

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.

2. Basis of Presentation and Significant Accounting Policies (continued)

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.

3. Changes in Accounting Policies

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the April 30, 2022 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.

Three and Six Months Ended April 30, 2022 (Expressed in Canadian Dollars)

4. Investments

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 - 2021, so the Company determined that the 2016 private sale is the best reference of the FMV of the Liard shares as of April 30, 2022. As such, there was no effect on Other Comprehensive Income for the six months ended April 30, 2022 or the year ended October 31, 2021.

Copper Fox indirectly owns an additional 21.35% of the Liard shares owned by the 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.

With the Company ceasing to have significant influence over District Copper Corp. ("District Copper") (see Note 5), the Company's 3,328,326 shares of District Copper are measured and presented at the observable market share price as at the date of the statements of financial position. As of April 30, 2022, these District Copper shares were valued at $898,648, with a fair value adjustment of $65,560 gain on Other Comprehensive Loss for the six months ended April 30, 2022.

	October 31, 2021	**April 30, 2022**
Liard	$ 106,825	**$ 106,825**
District Copper	-	**898,648**
Total Investments:	$ 106,825	**$ 1,005,473**

Three and Six Months Ended April 30, 2022 (Expressed in Canadian Dollars)

5. Investment in Associate

As at October 31, 2021, the Company held a 23.87% interest in District Copper and retained control in District Copper, resulting in the Company accounting for its interest in District Copper as an Investment in Associate under the Equity Method of accounting.

Subsequent to October 31, 2021, the Company ceased to have significant influence in District Copper and only held an 18.24% interest. As such, effective November 1, 2021, the Company recorded its interest in District Copper as an Investment (see Note 4).

District Copper is publicly traded on the TSX:V and its principal place of business is British Columbia, Canada. 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.

Prior to recognizing as an Investment starting on November 1, 2021, the Company recorded the following Investment in Associate for the six months ended April 30, 2021 and year ended October 31, 2021:

	Year ended October 31, 2021	Six months ended April 30, 2021
Investment in associate as at the beginning of the period	$ 830,071	$ 912,124
Share of income from associate for the period	3,017	(53,910)
Investment in Associate as at the end of the period	**$ 833,088**	**$ 858,214**

	Year ended October 31, 2021	Six months ended April 30, 2021
District Copper's net income for the period	$ 12,640	$ 221,813
Copper Fox's ownership % during the period	23.87%	24.30%
Share of income of an associate for the period	**$ 3,017**	**$ 53,910**

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

Description	Year ended October 31, 2021	Six months ended April 30, 2021
Current assets	$ 228,225	**$ 285,206**
Non-current assets	2,494,119	**2,746,495**
Current liabilities	249,243	**274,261**
Income (Loss) for the period	(426,734)	**221,813**

Three and Six Months Ended April 30, 2022 (Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets

	Balance October 31, 2021	Additions	Balance April 30, 2022
Arizona Properties:			
Van Dyke Project			
Acquisition of property rights	$ 2,585,093	$ -	$ 2,585,093
Technical analysis	6,902,941	121,572	7,024,513
Licenses and permits	56,029	-	56,029
Foreign exchange	798,032	388,349	1,186,381
Total Van Dyke Project	**10,342,095**	**509,921**	**10,852,016**
Sombrero Butte Project			
Acquisition of property rights	1,006,239	-	1,006,239
Technical analysis	1,082,595	53,570	1,136,165
Licenses and permits	64,466	-	64,466
Foreign exchange	162,902	87,358	250,260
Total Sombrero Butte Project	**2,316,202**	**140,928**	**2,457,130**
Mineral Mountain Project			
Technical analysis	886,933	63,785	950,718
Foreign exchange	(50,203)	32,207	(17,996)
Total Mineral Mountain Project	**836,730**	**95,992**	**932,722**
Total Arizona Properties	**13,495,027**	**746,841**	**14,241,868**
British Columbia Properties:			
Schaft Creek			
Acquisition of property rights	3,053,755	-	3,053,755
Technical analysis	62,182,617	31,024	62,213,641
Licenses and permits	106,623	-	106,623
BC Mineral Exploration Tax Credit	(3,575,505)	-	(3,575,505)
Total Schaft Creek	**61,767,490**	**31,024**	**61,798,514**
Eaglehead			
Property acquisition	1,022,822	-	1,022,822
Technical analysis	868,691	106,792	975,483
Reclamation obligation	241,000	-	241,000
Total Eaglehead	**2,132,513**	**106,792**	**2,239,305**
Total British Columbia Properties	**63,900,003**	**137,816**	**64,037,819**
Total Mineral Properties	**$ 77,395,030**	**$ 884,657**	**$ 78,279,687**

Three and Six Months Ended April 30, 2022 (Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets (continued)

	Balance October 31, 2020	Additions	Balance October 31, 2021
Arizona Properties:			
Van Dyke Project			
Acquisition of property rights	$ 2,585,093	$ -	$ 2,585,093
Technical analysis	6,585,445	317,496	6,902,941
Licenses and permits	56,029	-	56,029
Foreign exchange	1,560,750	(762,718)	798,032
Total Van Dyke Project	**10,787,317**	**(445,222)**	**10,342,095**
Sombrero Butte Project			
Acquisition of property rights	1,006,239	-	1,006,239
Technical analysis	956,023	126,572	1,082,595
Licenses and permits	64,466	-	64,466
Foreign exchange	330,425	(167,523)	162,902
Total Sombrero Butte Project	**2,357,153**	**(40,951)**	**2,316,202**
Mineral Mountain Project			
Technical analysis	786,534	100,399	886,933
Foreign exchange	7,066	(57,269)	(50,203)
Total Mineral Mountain Project	**793,600**	**43,130**	**836,730**
Total Arizona Properties	**13,938,070**	**(443,043)**	**13,495,027**
British Columbia Properties:			
Schaft Creek			
Acquisition of property rights	3,053,755	-	3,053,755
Technical analysis	61,935,628	246,989	62,182,617
Licenses and permits	106,623	-	106,623
BC Mineral Exploration Tax Credit	(3,575,505)	-	(3,575,505)
Total Schaft Creek	**61,520,501**	**246,989**	**61,767,490**
Eaglehead			
Property acquisition	-	1,022,822	1,022,822
Technical analysis	-	868,691	868,691
Reclamation obligation	-	241,000	241,000
Total Eaglehead	**-**	**2,132,513**	**2,132,513**
Total British Columbia Properties	**61,520,501**	**2,379,502**	**63,900,003**
Total Mineral Properties	**$ 75,458,571**	**$ 1,936,459**	**$ 77,395,030**

6. Exploration and Evaluation Assets (continued)

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 two cash milestone payments ($40 million) being applied against first 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 (Note 13). As of April 30, 2022, Teck has funded approximately $21 million towards the Schaft Creek project since mid-2013.

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 Corporation, $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, 2022, Copper Fox has incurred $10,852,016 (US$8,446,776) in expenditures on Van Dyke.

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. In October 2021, the Company made its final US$40,000 payment and now holds an undivided 100% interest in the Sombrero Butte property. As of April 30, 2022, Copper Fox has incurred $2,457,130 (US$1,912,164) in expenditures on Sombrero Butte.

Mineral Mountain Project

Mineral Mountain is located 20 miles east of Florence Arizona and is 100% wholly owned by Copper Fox. As of April 30, 2022, the Company has incurred $932,722 (US$725,853) in expenditures on Mineral Mountain.

Three and Six Months Ended April 30, 2022 (Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets (continued)

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 initially and $340,000 paid in April 2022 (see below)), 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. Northern Fox has the option to purchase 50% of the 0.5% NSR from District Copper, exercisable from the date of the agreement and up to two years from the date of commencement of production of the project for $1,000,000. In March 2021, the Company received the Mines Act Permit from the BC Ministry of Energy and Mines which allowed the Company to proceed with paying the $212,000 reclamation bond and complete the purchase agreement to acquire the Eaglehead project. The remaining $1 million will be paid to District Copper in three annual instalments of $340,000 (paid in April 2022), $330,000 and $330,000, respectively, on each anniversary following the closing on April 19, 2021 (see Note 8 Promissory Note). The Company also recorded $241,000 as a decommissioning liability for the Eaglehead project as of April 30, 2022 (Note 10).

In addition to the NSR from District Copper, certain claims under the Eaglehead project are subject to NSRs and a net milling royalty (the "Royalties"). Individually, the Royalties range from 2% to 2.5%. The Company has the right to purchase from 1% to 1.5% of each of the Royalties for purchase prices ranging from $1,000,000 to $2,000,000.

7. Property and Equipment

	Asset Retirement	Buildings	Computer Equipment	Furniture & Equipment	Heavy Equipment	Amount
Cost						
At October 31, 2020	$ 133,391	$ 137,250	$ 82,544	$ 46,887	$ 173,332	$ 573,404
Additions (Disposals)	-	-	-	-	-	-
At October 31, 2021	133,391	137,250	82,544	46,887	173,332	573,404
Additions	-	-	-	-	-	-
At April 30, 2022	**$ 133,391**	**$ 137,250**	**$ 82,544**	**$ 46,887**	**$ 173,332**	**$ 573,404**
Depreciation						
At October 31, 2020	$ 133,391	$ 104,441	$ 80,140	$ 44,164	$ 170,920	$ 533,056
Additions	-	3,281	721	545	724	5,271
At October 31, 2021	133,391	107,722	80,861	44,709	171,644	538,327
Additions	-	1,477	253	218	253	2,200
At April 30, 2022	**$ 133,391**	**$ 109,199**	**$ 81,114**	**$ 44,927**	**$ 171,897**	**$ 540,527**
Net Book Value						
At October 31, 2021	$ -	$ 29,528	$ 1,683	$ 2,178	$ 1,688	$ 35,077
At April 30, 2022	**$ -**	**$ 28,051**	**$ 1,430**	**$ 1,960**	**$ 1,435**	**$ 32,877**

Three and Six Months Ended April 30, 2022 (Expressed in Canadian Dollars)

8. Promissory Note

In connection with the Eaglehead project acquisition (see Note 6), the Company is required to make a $1,000,000 payment to District Copper in three annual instalments of $340,000 (paid in April 2022), $330,000 and $330,000, respectively, on each anniversary following closing on April 19, 2021. The Promissory Note is secured by a general security agreement and is registered against the Company's assets.

	October 31, 2021	April 30, 2022
Beginning balance	$ -	$ 822,822
Promissory note	1,000,000	(340,000)
Discount on promissory note	(247,952)	60,156
Accretion on promissory note	70,774	-
	822,822	542,978
Less current portion	239,152	239,152
Non-current portion	**$ 583,670**	**$ 303,826**

The remaining minimum future promissory note payments are as follows:

	Amount
Fiscal 2023	$ 330,000
Fiscal 2024	330,000

Three and Six Months Ended April 30, 2022 (Expressed in Canadian Dollars)

9. Right of Use Assets and Office Lease Liabilities

The Company has a lease agreement for its headquarter office in Alberta. Upon transition to IFRS 16, the Company recognized the following right-of-use asset and lease liability.

Right-of-Use Assets

	Office Lease
Cost	
At October 31, 2020	$ 98,779
Additions for the year	-
At October 31, 2021	98,779
Additions for the period	-
At April 30, 2022	**$ 98,779**
Depreciation	
At October 31, 2020	$ 9,878
Additions for the year	9,865
At October 31, 2021	19,743
Additions for the period	4,939
At April 30, 2022	**$ 24,682**
Net Book Value	
At October 31, 2021	$ 79,036
At April 30, 2022	**$ 74,097**

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

Office Lease Liabilities

	October 31, 2021	April 30, 2022
Beginning balance - Adjustment on initial adoption of IFRS 16	$ 154,778	$ 147,854
Lease payments made	(29,678)	(14,839)
Interest expense on lease liability	22,754	10,970
	147,854	143,985
Less current portion	8,038	7,055
Non-current portion	**$ 139,816**	**$ 136,930**

Three and Six Months Ended April 30, 2022 (Expressed in Canadian Dollars)

9. Right of Use Asset and Office Lease Liability (continued)

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 2022	$ 14,839
Fiscal 2023	32,376
Fiscal 2024	32,376
Fiscal 2025	32,376

10. Decommissioning Liability

The Company's decommissioning liabilities relate to its share of reclamation and closure costs for the Schaft Creek property and Eaglehead property. The total decommissioning liability for each property 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 $180,000 as at April 30, 2022 (October 31, 2021 - $180,000) based on an undiscounted and inflated future liability of $180,000 (October 31, 2021 - $180,000).

The Company estimated the decommissioning liability of Eaglehead to be $241,000 as at April 30, 2022 (October 31, 2021 - $241,000).

	Schaft Creek	Eaglehead	Total
At October 31, 2021	$ 180,000	$ 241,000	$ 421,000
Addition	-	-	-
Accretion	-	-	-
Revisions	-	-	-
At April 30, 2022	**$ 180,000**	**$ 241,000**	**$ 421,000**

	Schaft Creek	Eaglehead	Total
At October 31, 2020	$ 179,387	$ -	$ 179,387
Addition	-	241,000	241,000
Accretion	4,386	-	4,386
Revisions	(3,773)	-	(3,773)
At October 31, 2021	**$ 180,000**	**$ 241,000**	**$ 421,000**

Three and Six Months Ended April 30, 2022 (Expressed in Canadian Dollars)

11. 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.

During the year ended October 31, 2021, the Company incurred the following shares issuances:

33,175,667 warrants were exercised for net proceeds of $5,193,404.

Warrants

As of April 30, 2022, the warrants outstanding are as follows:

	Number of Warrants	Amount
At October 31, 2021	25,116,667	$ 2,979,913
Additions, exercises or expiries:		
Warrants exercised	-	-
Warrants expired	-	-
At April 30, 2022	**25,116,667**	**$ 2,979,913**

As of October 31, 2021, the warrants outstanding are as follows:

	Number of Warrants	Amount
At October 31, 2020	58,342,334	$ 2,979,913
Additions, exercises or expiries:		
Warrants exercised	(33,175,667)	-
Warrants expired	(50,000)	-
At October 31, 2021	**25,116,667**	**$ 2,979,913**

The breakdown of the warrants outstanding is as follows:

Number of Warrants Outstanding	Warrant Exercise Price ($)	Warrants Exercisable as of January 31, 2022	Warrant Expiry Date
22,150,000	0.09 - 0.12	22,150,000	March 26, 2024
2,966,667	0.09 - 0.12	2,966,667	April 24, 2024
25,116,667		**25,116,667**	

Stock Option Plan

As of the September 16, 2021 Annual General Meeting (“**AGM**”), the Company no longer holds a stock option plan.

Three and Six Months Ended April 30, 2022 (Expressed in Canadian Dollars)

12. Related Party Transactions

Copper Fox

During the six months ended April 30, 2022, legal fees of $21,214 (April 30, 2021 - $24,750) were paid to Farris LLP ("**Farris**"). As at April 30, 2022, included in accounts payable to Farris was $316 (October 31, 2021 - $5,945). One of the partners at Farris is a member of Copper Fox's Board.

As of April 30, 2022, included in accounts payable to Pacific Opportunity Capital Ltd. ("**POC**") was $5,250 (October 31, 2021 - $10,500). The Chief Financial Officer of the Company is the president of POC.

As of April 30, 2022, included in accounts receivable to Copper Fox was $41,660 (October 31, 2021 - $41,660) due from District Copper.

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, 2021	April 30, 2022
Directors fees	$ 1,000	**$ 2,000**
Accounting fee	4,000	**-**
Salaries and consulting fees	169,750	**192,000**
Total	**$ 174,750**	**$ 194,000**

13. 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 6).

Office Lease

The Company has an office lease expiring on October 31, 2024 with a renewal clause until October 31, 2029. See Note 9 for details.

14. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, deposits, investments, trade and other payables, promissory note and office lease liability. 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. The Company's investment in District Copper shares is measured at fair value using Level 1 inputs while the Company's investment in Liard is measured at fair value using Level 3 inputs. The Company's investment in Liard consists of unlisted equity instruments (common shares of Liard). The determination of fair value by management was based on the most recent transaction of the underlying company (Note 4). The Company performed a sensitivity analysis on the carrying value of its Level 3 asset and noted that a 20% decrease would result in $21,365 decrease in fair value. The fair values of office lease liability and promissory note 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 classifies 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.

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, 2022 is $55,140 (October 31, 2021 - $77,430).

14. Financial Instruments (continued)

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, 2022 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, 2022, the Company had $127,472 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, 2022, 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 trade and other payables, office lease liability (current portion) and promissory note (current portion). Trade and other payables consist 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. Office lease liability relates to the Company's office space in Calgary, Alberta. Lease payments are due on a monthly basis. Promissory note consists of annual payments with respect to the Company's Eaglehead project.

Three and Six Months Ended April 30, 2022 (Expressed in Canadian Dollars)

14. Financial Instruments (continued)

Trade and other payables 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.

15. Capital Management

The Company considers its capital structure to consist of share capital 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, 2022. 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.

16. Geographic Segments

	Six Months Ended		**Three Months Ended**	
	April 30, 2021	**April 30, 2022**	April 30, 2021	**April 30, 2022**
Net Loss:				
Canada	$ 532,444	**$ 602,887**	$ 337,082	**$ 358,264**
United States	10,136	**9,115**	6,174	**5,019**
Totals	$ 542,580	**$ 612,002**	$ 343,256	**$ 363,283**

	October 31, 2021	**April 30, 2022**
Current Assets:		
Canada	$ 2,642,927	**$ 1,304,570**
United States	81,111	**65,105**
Non-Current Assets:		
Canada	65,166,029	**65,362,267**
United States	13,506,175	**14,253,432**
Totals Assets	$ 81,396,242	**$ 80,985,374**

17. Contingent Liability

The Company filed certain tax filings under the Voluntary Disclosure Program ("VDP") with the Canada Revenue Agency ("CRA"). It is estimated that the penalties and arrears interest could amount to approximately $92,000, but by filing under the VDP, the CRA may waive up to $79,000 in penalties and arrears interest. Accordingly, these penalties and arrears interest have been disclosed as a contingent liability, and not recognized as a liability or provision.