COPPER FOX METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2017

As at March 30, 2017

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1. INTRODUCTION

This management's discussion and analysis ("**MD&A**") should be read in conjunction with Copper Fox Metals Inc.'s (the "**Company**" or "**Copper Fox**") ") unaudited interim consolidated financial statements for the three months ended January 31, 2017 and the related notes thereto and the audited consolidated financial statements for the year ended October 31, 2016 and the related notes thereto.

All of the Company's material subsidiaries are wholly owned except for Carmax Mining Corp. ("**Carmax"**) (**TSX-V: CXM**), of which the Company owns 65.4% of the outstanding common shares as at January 31, 2017. The consolidated financial statements include 100% of the assets and liabilities related to Carmax and include a non-controlling interest representing 34.6% of Carmax's assets and liabilities not owned by the Company. Accounting policies are applied consistently throughout all consolidated entities.

As of the date of this MD&A, the Company owns 65.4% of Carmax.

Technical and corporate information contained in this MD&A has previously been disseminated by way of news releases and are filed on Sedar at www.sedar.com and on the Company's website at www.copperfoxmetals.com. The reader should be aware that historical results are not necessarily indicative of future performance (readers should refer to "**Forward Looking Statements**" on page 3).

All amounts expressed are in Canadian dollars unless otherwise stated. The MD&A is current as of March 30, 2017 and was reviewed, approved and authorized for issue by the Company's Board of Directors on the aforementioned date.

Description of Business

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

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

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

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

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

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

Qualified Person

Mr. Elmer B. Stewart, MSc. P. Geol., President and CEO of the Company, is the qualified person as defined under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") who has reviewed and approved all technical and scientific disclosure contained in this MD&A regarding the Company's mineral properties.

2. DISCLOSURE CONTROLS AND PROCEDURES

The Company's management is responsible for the design and effectiveness of disclosure controls and procedures that are intended to provide reasonable assurance that material information related to the Company, including our consolidated subsidiaries, is made known to the Company's certifying officers. Management, including the Chief Executive Officer and the Chief Financial Officer of the Company, have evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as at January 31, 2017. There have been no changes in the Company's disclosure controls and procedures during the three months ended January 31, 2017, that have materially affected, or are reasonably likely to materially affect, the Company's disclosure controls and procedures. Based on this evaluation, management has concluded that the Company's disclosure controls and procedures were effective as at January 31, 2017.

3. FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

These risk factors include, but are not limited to, fluctuation in metal prices which are affected by numerous factors such as global supply and demand, inflation or deflation, global political and economic conditions; the

Company's need for access to additional capital to explore and develop its projects; the risks inherent in the exploration for and development of minerals including the risks of estimating the quantities and qualities of minerals, operating parameters and costs, receiving project permits and approvals, successful construction of mining and processing facilities, and uncertainty of ultimate profitability of mining operations; risks of litigation and other risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on any forward-looking statements in this MD&A to make decisions with respect to the Company, investors and others should carefully consider the risk factors set out in this MD&A and other uncertainties and potential events.

4. THREE MONTHS ENDED JANUARY 31, 2017 HIGHLIGHTS AND SIGNIFICANT EVENTS

On November 9, 2016 Copper Fox provided its shareholders with an update of activities on its Schaft Creek and Sombrero Butte projects. On the Schaft Creek project, the services of AMEC Foster Wheeler have been retained to advise Copper Fox on the resource modelling work for the Schaft Creek deposit. At Sombrero Butte, the breccia pipe study identified several phases of breccia pipe formation each with a distinct metal assemblage, alteration and geochemical association supporting the presence of a buried porphyry copper system.

On December 20, 2016, Copper Fox provided an update on progress on the resource block modelling for the Schaft Creek deposit and the preliminary metallurgical test results for Carmax Mining Corp's Eaglehead project. The results of the resource block modelling for the Schaft Creek deposit are pending a decision on whether an updated resource estimate for Schaft Creek is required will be made after completion of the remodeling work. On Carmax's Eaglehead project, locked cycle testwork yielded recoveries of 89.9% copper, 71.1% molybdenite, 78.6% gold, and 78.1% silver.

On January 18, 2017, Copper Fox announced preliminary sample results from a bedrock sampling program on its 100% owned Mineral Mountain porphyry copper project, located in central Arizona. The program outlined an 800m by 600m area of mineralized Laramide age rocks that exhibits many feature of a porphyry copper system.

Subsequent to the Period End:

On February 2, 2017 Copper Fox reported that Teck as the Operator of the SCJV delivered the proposed 2017 program for the Schaft Creek project for Management Committee review and comment. The SCJV Management Committee approved the $0.9 million budget to complete the resource re-model, desk top engineering and trade off studies, continue collection of baseline environmental data and obtain a Multi-Year Area Based Permit ("**MYAB**"). The main activities covered pursuant to a MYAB permit include approval for up to 50 diamond drill holes, 5 kms of new drill road and 20 kms of line cutting; none of which are planned for at the current stage.

On February 7, 2017 Copper Fox reported the final results of the 2016 rock sampling program on its 100% owned Mineral Mountain property, a Laramide age copper-molybdenum-gold project, located in central Arizona. The additional results from the sampling program expanded the dimensions of the mineralized area to

1,100m by 900m and yielded a significant number of the samples that contained assays in excess of 1% and up to 6.6% copper.

On March 2, 2017 Copper Fox reported the results of the compilation of the 2015 and 2016 rock sampling programs on its 100% owned Mineral Mountain located in central Arizona. The compilation work outlined porphyry style copper-molybdenum-gold mineralization and associated alteration hosted in Laramide age rocks over an area that measures approximately 3 kms by 1.5 kms. The porphyry environment at Mineral Mountain is located in the same northeast trending structural lineament that hosts the porphyry copper deposits at Casa Grande, Florence, Resolution and in the Globe-Miami, Arizona.

On March 3, 2017, Copper Fox extended the Bell Copper Loan of $168,000 to March 19, 2018. In return for this extension, Copper Fox received the full interest amount owing of $20,160 (paid March 17, 2017) and 1,000,000 warrants that are exercisable at $0.10 with an expiry date of March 19, 2018.

Commencing March 14, 2017, Copper Fox began selling its shares of Bell Copper. As of the date of this MD&A Copper Fox has sold 338,000 shares for a total net proceeds of $28,205.

On March 21, 2017, Copper Fox exercised 403,200 of the $0.05 Bell share warrants for a total cost of $20,160. The remaining 596,800 warrants at $0.05 received from the original loan extension are now expired.

5. PROPERTY SUMMARY

The severity of the past five years of the current commodity cycle has been compared to a similar commodity cycle that occurred in the early 1920's. The current downturn severely affected all sectors of the resource industry resulting in a significant reduction in grassroots exploration, mergers and acquisitions, capital investments and delayed decisions on construction projects. Over the past Quarter, copper prices have increased by approximately 25%. This increase in copper and general optimism in the broad commodity sector has provided renewed optimism that a return to a positive commodity cycle may have occurred.

For the foreseeable future, Copper Fox plans to maintain its strategy of conducting a limited amount of meaningful work on its projects until conditions in the resource sector and availability of capital dictate otherwise.

Schaft Creek Project

Copper Fox's primary asset is a 25% 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 85.5% equity interest in Liard Copper Mines ("**Liard**"). Liard holds a 30% Net Proceeds Interest in the Schaft Creek project subject to certain terms and conditions. Teck Resources Limited holds a 75% interest in the SCJV and is the operator.

On January 23, 2013, Copper Fox filed a NI 43-101 Technical Report entitled "Feasibility Study on the Schaft Creek Project, BC Canada" prepared by Tetra Tech with A. Farah, P.Eng., et al as Qualified Persons. The

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Feasibility Study proposed a 130,000 tonne per day ("**TPD**") flotation/open pit mine with Proven and Probable Reserves as follows:

Reserve Category	Tonnes (Mt)	Copper (%)	Molybdenum (%)	Gold (g/t)	Silver (g/t)
Proven	135.40	0.31	0.018	0.25	1.81
Probable	805.41	0.27	0.018	0.18	1.70

The Proven and Probable Reserve are deemed sufficient to support a 21 year mine life and are estimated to contain 5.6 billion pounds of copper, 373.5 million pounds of molybdenum, 6.03 million ounces of gold, and 51.7 million ounces of silver. The Feasibility Study suggested annual production from the Schaft Creek project would be in the order of 230 million pounds of copper, 201,000 ounces gold, 1.2 million ounces silver and 10.2 million pounds of molybdenum.

The Feasibility Study also showed that the Schaft Creek deposit hosts a Measured and Indicated Resource of 1.2 billion tonnes, grading 0.26% copper, 0.017% molybdenum, 0.19 g/t gold and 1.69 g/t silver as well as a 597.2 million tonne Inferred Resource grading 0.22% copper, 0.016% molybdenum, 0.17 g/t gold and 1.65 g/t silver. Resources were estimated above a 0.15% CuEq cut-off. *The above stated Proven and Probable Reserves for the Schaft Creek project are included within the stated Measured and Indicated Resources.*

The Feasibility Study indicated that the NPV and the IRR for the Schaft Creek project were most sensitive to fluctuations in the Foreign Exchange ("**FOREX**") between the Canadian and United States dollar and the price of copper. The Feasibility Study used a FOREX of $1.00 USD = $0.97 CAD. Since that time, many of the input parameters used in the feasibility study have changed significantly, including but not limited to, a decline in metal prices and a significant increase in FOREX.

In July 2013, Copper Fox and Teck created the SCJV to further explore and develop the Schaft Creek project. Pursuant to the Joint Venture agreement, among other commitments, Teck is responsible for funding the first $60 million in pre-production expenditures at Schaft Creek. As of the date of the MD&A, Teck has funded approximately $19 million of work on the Schaft Creek project.

The resource remodeling that commenced in 2016 continued into 2017. The last resource estimate for the Schaft Creek project was completed in early 2012. Since that time, many changes have occurred in the resources sector including metal pricing, exchange rates, technology, operating costs and capital costs. The current work program provides the SCJV the opportunity to update many aspects of the Schaft Creek project by incorporating the results of the geotechnical, comminution and infrastructure reviews completed since 2013 as well as the results of the core re-logging and 2013 drilling program.

During the Quarter ended, the SCJV approved a $0.9 million 2017 program and budget for the Schaft Creek project. The 2017 program contemplates completion of the resource remodeling of the Schaft Creek deposit, desktop engineering and Trade-Off Studies, collection of environmental baseline data and permitting and social activity aspects of the project.

The resource remodeling of the Schaft Creek deposit was expected to be completed by the end of the first quarter 2017, however, due to the inherent complexity of the process, the remodeling work will be delayed by a few weeks from the original completion date.

The QA/QC reviews, definition of the mineral domains, contact analysis and establishment of the grade estimation profiles have been completed. The long term metal prices (in line with industry consensus) to be used for constraining the resource model are: copper $USD 3.00/lb, molybdenum $USD 10.00/lb, gold $USD 1,200/oz. and silver $USD 20.00/oz. The long term FOREX has been set at $1.00 USD = $0.83 CAD.

The 2017 program includes ongoing consultation with the Tahltan First Nations on social and cultural matters. External consultants will continue to collect environmental baseline data (including humidity cell tests and field sampling) for the Schaft Creek deposit. Other aspects of the 2017 program include the application for a Multi-Year Area Based Permit ("**MYAB**") for future work for up to 50 diamond drill holes, 5 kms of new drill road and 20 kms of line cutting; none of which are planned for execution at this stage.

Van Dyke Project

In 2012, Copper Fox acquired 100% of Bell Copper's interests in the Van Dyke copper project ("**Van Dyke**") located in Globe-Miami Mining District in Arizona. The Vendors retained a 2.5% Net Smelter Return ("**NSR**") production royalty from the Van Dyke deposit. The projects consists of 531.5 hectares (1,312.8 acres) of mineral rights and 5.75 hectares (14.02 acres) of surface rights.

Between 1968 and 1980 Occidental Minerals completed a significant amount of exploration and two successful (permitted) In Situ Leach ("**ISL**") tests on a portion of the Van Dyke copper deposit. Kocide Chemicals also permitted the project and produced copper from the Van Dyke deposit using the ISL recovery method between 1988 and 1990.

In 2015, Copper Fox completed a NI-43-101 Technical Report entitled "Preliminary Economic Assessment Technical Report for the Van Dyke Copper Project" dated November 18, 2015 prepared by Moose Mountain Technical Services, Mr. Jim Gray, P.Eng., et. Al. as the Qualified Persons.

The Preliminary Economic Assessment ("**PEA**"); an independent assessment of the historical and current results from the Van Dyke project recommended that a pre-feasibility study be completed. The pre-feasibility study (estimated cost - US $16.6 million) consists of 10,000m of diamond drilling to upgrade and expand the resource as well as a five hole ISL pilot test program to investigate among other things; soluble copper recoveries, hydraulic connectivity, hydrology and other geotechnical parameters related to the proposed In-Situ Leaching of the Van Dyke deposit.

The PEA on the Van Dyke project yielded an after-tax NPV of US $149.5 million and IRR of 27.9% based on a long term copper price of $US3.00/lb and an Inferred Resource of 183 million tonnes containing 1.33 billion pounds of copper at an average total copper grade of 0.33%. Significant project parameters include; annual copper production of 60 million pounds in years 1-6, declining thereafter, a soluble copper recovery of 68%, acid consumption of 1.5 lb acid/lb copper produced and an average direct operating cost of US $0.60 per pound over the life of mine. Life of Mine parameters included Gross Revenue of US $1.37 billion and cumulative net free cash flow of US $453.1 million (before tax) and US $342.2 million (after tax). Initial capital cost (including pre-production costs and US $42.4 million in contingencies) totals US $204.4 million which are expected to be recovered within 2.9 years on an after tax basis. Project economics are most sensitive to copper recovery and copper price.

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

The 2016 Data Gap Analysis of the timing and estimated costs to obtain the main permits related to the recommended ISL pilot test program indicated that the cost of the permitting process would be approximately US$425,000 and that a considerable amount of the historical data used in the previous three ISL programs on the Van Dyke project may be applicable to a future permitting process. If the historical data from the previous ISL tests can be used the cost of the permitting process could be reduced significantly.

A review of the metallurgical testwork proposed in the pre-feasibility study found that the cost of this work would be in the order of US $265,000 and that leach times of approximately 210 days should be utilized. These combined cost reductions (approximately US $800,000) suggest that the estimated cost to complete the pre-feasibility study could be lower than that estimated in the PEA. Copper Fox is currently assessing its options for completing the pre-feasibility study on the Van Dyke project.

Sombrero Butte Project

In 2012, Copper Fox acquired the rights (provided all option payments are made on certain patented mineral claims) to 100% of the Sombrero Butte property (2,913 acres) located in the Bunker Hill Mining District, 44 miles northeast of Tucson, Arizona. In 2016, Copper Fox re-negotiated the option payments on the patented claims to a US $40,000 annual payment. On completion of these annual payments, Copper Fox will hold an undivided 100% interest in the Sombrero Butte (including the patented mineral claims) property. The option agreement on the patented mineral claims is in good standing.

In 2015, Copper Fox completed 12.3 kms of Titan-24 DCIP survey and sampled drill cuttings from two historical drill holes located within the surface exploration target. The drill cutting from these holes yielded copper 2,079 ppm and 1,683 ppm. These results are considered encouraging and supports the interpretation of a buried porphyry copper system.

In 2016 Copper Fox completed a review of the mineralized breccia pipes to determine the relationship between the breccia pipes and the chargeability/resistivity anomaly within the exploration target. The study indicated multi-phase breccia pipe formation each with different metal assemblages, gangue minerals (i.e. tourmaline) and geochemical signatures which suggests either multiple sources or an evolving hydrothermal system. The study also demonstrated an excellent correlation between one of the 2015 chargeability anomalies and the down dip extension of the mineralized breccia pipes. Two drill target have been identified. Copper Fox is currently reviewing its options including locating a partner to fund future exploration of the property.

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Mineral Mountain Project

Mineral Mountain is a porphyry copper-molybdenum project located in the Laramide copper province of Arizona. The project is 100% owned by Copper Fox and covers approximately 5,337 acres located in central Arizona. The porphyry copper target on the Mineral Mountain project is located in the same northeast trending structural lineament that hosts the porphyry copper deposits at Casa Grande, Florence, Resolution and in the Miami-Globe district, Arizona.

During the Quarter ended, Copper Fox received the balance of the results from the bedrock sampling program completed in 2016. These results outlined an area measuring approximately 1,100m by 900m of porphyry style copper-molybdenum-gold mineralization hosted in a potassic altered Laramide age Quartz Monzonite and Granodiorite. A significant number of samples from the sampling program contained between 1% and up to 6.6% copper due to the presence of chalcocite and covellite. The sample results suggest that the mineralized area is open in two directions.

The copper-molybdenite-gold mineralization occurs in steeply dipping classical "A" veins with potassic +/- chlorite +/- hematite envelopes and exhibits a rhenium-tellurium-bismuth geochemical association, features typical of a porphyry copper system. The main copper minerals are chalcocite and chrysocolla along with rare chalcopyrite and covellite. Gangue minerals observed are goethite after pyrite (forming box work texture) and jarosite. The range of values for the samples located within the mineralized area are shown below:

Analytical Values				
Element	**Minimum**	**Maximum**	**Average**	**Median**
Copper (%)	0.021	6.60	1.21	0.869
Molybdenum (ppm)	2	1,150	100	36
Gold (ppb)	5	2,640	160	39
Silver (ppm)	0.2	334	35	13.4

The presence of the chalcocite and covellite suggests that leaching has occurred and there is a possibility that supergene enrichment could have formed a "chalcocite blanket" at depth.

The 2015 and 2016 sampling results have outlined a 2.5km by 1.1km northeast trending zone of porphyry style copper-molybdenum-gold-mineralization hosted in altered Laramide intrusive rocks which includes the mineralized area delineated in 2016 (see news release dated February 8, 2017).

The northeast trending zone of porphyry style mineralization is hosted in potassic and sericitic altered Laramide age Quartz Monzonite and Granodiorite and covers an area of approximately 3km by 2km. This altered mineralized zone is terminated to the north by an interpreted graben. The alteration pattern associated with the mineralization is consistent with a porphyry copper system; a potassic core (potassic envelopes, secondary biotite), an intermediate zone of phyllic (sericite-pyrite-quartz) surrounded by regionally extensive propylitic (hematite-epidote-late stage epidote veining) alteration. The mineralized trend exhibits a rhenium-bismuth-tellurium geochemical association, porphyry style "A" and "D" veins and chalcocite veins (with minor covellite).

A chargeability anomaly identified in the early 1980's (a common geophysical signature of porphyry copper mineralization) exhibits a good correlation with the potassic altered portion of the 1,100m x 900m mineralized zone outlined in 2016. This chargeability anomaly has not been verified using modern geophysical exploration methods.

Carmax Mining Corp.

Copper Fox, through its wholly owned subsidiary, Northern Fox owns 65.4% of the common share of Carmax Mining Corp. ("**Carmax**"). Carmax holds a 100% working interest in the Eaglehead copper-molybdenum-gold-silver property (13,540 Ha.) located in the Liard Mining Division, approximately 40 kilometers east of Dease Lake in northern British Columbia.

In 2012, Roscoe Postle Associates Inc. ("**RPA**") prepared a NI 43-101 Technical Report on the Eaglehead property, which included a current Mineral Resources estimate on the East and Bornite zones located within the property. The Technical Report prepared by B. Donough, P. Geo. And D. Rennie, P. Eng. as Qualified Persons, was filed through SEDAR on June 29, 2012 (see news release dated July 4, 2012). The Inferred Mineral Resource estimate totals 102.5 million tonnes at an average grade of 0.29% Cu, 0.010% Mo, and 0.08 g/t Au. The resources were estimated at a cut-off grade of 0.16% copper equivalent ("**CuEq**") and contain approximately 662 million pounds copper, 22 million pounds molybdenum, and 265,000 ounces gold. The silver content of the mineralization was not estimated.

In 2016, Carmax completed: i) re-logging, and either sampling or re-sampling of 40 historical drill holes (13,562m) from the Camp-Pass-Bornite-East zones, ii) re-analysis of approximately 15,000 pulp and core samples from historical drill core, and iii) continued preliminary metallurgical test work. The primary objective of the 2016 program was to eliminate "legacy data" issues related to previous exploration programs.

On April 12, 2016, Carmax was advised that its Eaglehead Property had been forfeited for failure to file work or pay cash in lieu of assessment work in order to maintain the claim in good standing. The circumstances giving rise to the forfeiture involved a filing made by Carmax in March 2015 to group all mineral claims to create one mineral claim. Before the amalgamation of the mineral claims there was more than adequate assessment work completed to maintain the claims in good standing until 2019.

Following April 12, 2016, intervening parties staked claims over the forfeited land. Carmax made application under Section 67 to the Mineral Tenure Act to the Chief Gold Commissioner for the Province of British Columbia to set aside the forfeiture which would, if granted, allow a further period of time for Carmax to amend the filings in order to maintain the consolidated claim in good standing.

On April 22, 2016, Carmax received the written decision of the Chief Gold Commissioner for the Province of British Columbia re-instating Carmax's mineral claim and providing Carmax an extension of time to comply with Section 29 of the Mineral Tenure Act (the "**Act**") to September 30, 2016.

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On June 14, 2016 Carmax received notice that certain parties filed a Petition in the Supreme Court of British Columbia against the Chief Gold Commissioner requesting a judicial review of his decision to reinstate Carmax's mineral claim #1034634.

The judicial review was heard in the Supreme Court of British Columbia on January 24, 2017. Although Carmax is not a party to the proceedings, until the decision of the Supreme Court is delivered, Carmax's title to claim #1034634 is in doubt.

In December 2016, Carmax released the results of the preliminary test work from the Eaglehead project. The work included locked cycle tests, Bond Ball Mill Work Index (BWi) tests and Bond Abrasion Index (Ai) tests. Mineralogical studies on the sub-composites samples used in the preliminary test work show that chalcopyrite and bornite are the dominant copper sulphides. The samples contained low pyrite concentrations ranging from 0.03-0.17%. Bond Ball Mill Work Index (BWI) and Bond Abrasion Index (AI) testing categorized the mineralization as hard and very hard with medium to abrasive indices.

Locked cycle tests yielded a final copper-molybdenite bulk concentrate that assayed 29.6% Cu, 2.72% Mo, 28.2 g/t Au, and 175.9 g/t Ag with estimated metal recoveries to concentrate of 89.9% copper, 71.1% molybdenite, 78.6% gold, and 78.1% silver. The copper-molybdenite concentrate contained very low concentrations of arsenic, selenium and tin. Tests to upgrade molybdenum recovery in a separate molybdenum cleaner circuit were not completed. SGS has recommended further testwork.

Compilation of the analytical data and interpretation of the results of the re-logging programs completed over the past three years is in progress with the objective to commence preparation of a preliminary geologic model for the Eaglehead project. Until the court's decision on the judicial review has been delivered, further plans for the project have been put on hold.

6. SUMMARY OF QUARTERLY RESULTS

The quarterly results are as follows:

	January 31, 2017 *3 months ended*	**October 31, 2016** *3 months ended*	**July 31, 2016** *3 months ended*	**April 30, 2016** *3 months ended*
Loss before non-operating items and taxes	$ 207,014	$ 633,383	$ 305,814	$ 413,437
Net loss	207,014	37,171	305,814	413,437
Comprehensive (gain)/loss	549,757	(724,814)	(201,748)	1,995,501
Comprehensive (gain)/loss per share, basic and diluted	0.00	(0.00)	(0.00)	0.00

	January 31, 2016 *3 months ended*	**October 31, 2015** *3 months ended*	**July 31, 2015** *3 months ended*	**April 30, 2015** *3 months ended*
Loss before non-operating items and taxes	$ 314,527	$ 358,917	$ 484,385	$ 350,360
Net loss	314,527	358,917	484,385	350,360
Comprehensive (gain)/loss	(284,576)	(14,846)	(309,555)	854,264
Comprehensive (gain)/loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	0.00

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The Company's quarterly comprehensive loss increased in Q1 2017 compared to Q1 2016, as a result of the foreign exchange loss in the current quarter compared to an exchange gain in the previous comparable quarter.

7. DISCUSSION OF OPERATIONS

All of the information described below is accounted for in accordance with IFRS, as issued by IASB. The reader is encouraged to refer to Note 2 of the Company's audited annual financial statements for the year ended October 31, 2016 for Copper Fox's "*Basis of Presentation and Significant Accounting Policies*".

For the three months ended January 31, 2017 and January 31, 2016, the consolidated expenses were:

	Three Months Ended	
	January 31, 2017	January 31, 2016
Expenses:		
Administration	**$ 189,129**	$ 304,691
Depreciation, amortization and accretion	**6,825**	7,492
Professional fees	**12,915**	3,250
Interest and other income	**(1,856)**	(906)
Loss Before Taxes	**$ 207,014**	**$ 314,527**

Three months ended January 31, 2017 Compared to Three months ended January 31, 2016

For the three months ended January 31, 2017, the Company recorded a net loss before taxes of $207,014 or $0.00 per share compared to a net loss before taxes of $314,527 or $0.00 per share in the comparable prior year. The overall decrease in net loss before taxes of $107,513 is due to decreases in salary and consulting fees.

8. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

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

As at January 31, 2017, the Company had $433,396 in cash (October 31, 2016 - $847,505). For the foreseeable future, as existing properties are explored and developed, the Company will continue to seek capital through the issuance of equity, strategic alliances or joint ventures, and debt, of which the Company currently has none.

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

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

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

Working Capital

As at January 31, 2017, Copper Fox had working capital of $554,116 (October 31, 2016 – $868,645). The working capital decreased in the fiscal three months ended January 31, 2017 compared to the three months ended October 31, 2016 as a result of the capital outflows for Mineral Mountain, Van Dyke and Eaglehead, in addition to the daily operating costs, which were not offset by any new financings in Q1 2017. The Company manages its working capital through conscientious controlling of spending on its properties and operations. Due to the on-going planned advancement of projects over the near term, Copper Fox intends to continue to incur expenditures without revenues and accumulate operating losses. As a result, the Company needs to obtain adequate financing to fund future exploration and development, including the potential construction of a mine, in order to reach profitable levels of operation. It is not possible to predict whether future financing efforts will be successful or whether financing on favourable terms will be available.

Copper Fox has no long-term debt or long-term liabilities, other than its combined decommissioning provision of $218,999 and its deferred tax liability of $2,179,513. The Company has no capital lease obligations, operating or any other long term obligations, other than its office lease.

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.

During the three months ended January 31, 2017, the Company incurred a net loss of $207,014 (January 31, 2016 - $314,527), the Company's cash was $433,396 (October 31, 2019 - $847,505) and its working capital was $554,116 (October 31, 2016 - $868,645). The Company is currently developing its US properties and Eaglehead. To date, none of the Company's projects have achieved profitability and they have experienced operating losses and significant negative cash flows. The Company has concluded that the working capital as held at January 31, 2017 is insufficient to fund its day to day operations and planned expenditures for at least the next twelve months. Unless additional funds are raised, the Company will have insufficient funds to realize its assets and discharge its liabilities in the normal course of business.

For the Three Months Ended January 31, 2017 (Expressed in Canadian Dollars)

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. The Company plans to address this uncertainty by raising additional funds in the capital markets in fiscal year 2017. 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.

Cash Flow Highlights

	Three Months Ended	
	January 31, 2017	**January 31, 2016**
Cash used in operating activities	$ (276,278)	$ (502,926)
Cash provided by/(used) in investing activities	(147,655)	(332,303)
Cash provided by financing activities	-	1,439,336
Decrease in cash for the period	(423,933)	604,107
Translation effect of foreign currency	9,824	(1,573)
Cash balance, beginning of year	847,505	1,529,138
Cash Balance, End of Period	**$ 433,396**	**$ 2,131,672**

Cash Flow for the Years Ended January 31, 2017 and January 31, 2016

Operating Activities

Cash used in operating activities was $276,278 in the current period compared to $502,926 in the prior period. The decrease of $226,648 is due to a decrease in operational costs and the changes in no cash working capital, specifically accounts payable.

Investing Activities

Cash used in investing activities in the current period was $147,655 compared to cash used in investing activities of $332,303 in the prior comparable period. The decrease of $184,638 in cash used in investing activities is due to the decrease the increased expenditures incurred for the Eaglehead drill program this period compared to Q1 2016.

For the Three Months Ended January 31, 2017 (Expressed in Canadian Dollars)

Financing Activities

Cash inflow from financing activities was $Nil in the current period compared to $1,439,336 in the prior period, due to there being no equity financings in Q1 2017.

Capital Resources

As of January 31, 2017, and as of the date of this MD&A, the Company had $433,396 and $205,585 in cash.

Contractual Commitments

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

Year Ended	2017	2018	2019
Amount	$ 84,023	$ 116,078	$ 87,058

The Company is also committed to pay the balance outstanding of five yearly option payments totalling US $200,000 (CDN $260,580) under the Sombrero Butte acquisition agreement. The next payment of US $40,000 (CDN $52,116) is due on October 15, 2017.

In the SCJV agreement, the Company is responsible for 25% of pre-production costs beyond the initial $60 million of costs to be incurred by Teck and 25% of capital costs following a production decision. Copper Fox's pro rata share of any pre-production costs in excess of $60 million will be funded by Teck by using the two remaining direct cash payments, totaling $40 million, payable to Copper Fox. These payments are based on certain project milestones being achieved and the costs incurred by the Company will offset the amounts remaining from Teck. If pre-production expenditures on the Schaft Creek project exceed $240 million, the two cash payments payable to Copper Fox would be reduced to zero and Teck would fund any additional costs incurred prior to a production decision, if required, by way of loan to Copper Fox to the extent of its pro rata share, without dilution to Copper Fox's 25% joint venture interest.

9. RELATED PARTY TRANSACTIONS

Copper Fox

During the three months ended January 31, 2017, Copper Fox legal fees of $11,713 (January 31, 2016 – $75,866) were paid to Farris, Vaughan, Wills & Murphy LLP ("**Farris**"). As at January 31, 2017, included in accounts payable to Farris was $3,371 (October 31, 2016 - $Nil). One of the principle partners at Farris sits on Copper Fox's Board of Directors.

For the Three Months Ended January 31, 2017 (Expressed in Canadian Dollars)

Carmax

For the three months ended January 31, 2017, $2,500 (January 31, 2016 - $3,750) was paid in rent to a company controlled by an officer of Carmax.

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, including Carmax are as follows:

Description	January 31, 2016	January 31, 2017
Salaries and consulting fees	$ 119,312	**$ 118,375**
Total	**$ 119,312**	**$ 118,375**

10. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's financial instruments consist of cash, trade and other receivables, investments and trade and other payables, and investments in shares.

Determination of Fair Value

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

- *Level 1* – observable inputs such as quoted prices in active markets. The Company's investment in Alexandria Minerals Corporation as well as their common share ownership in Bell Resources is a Level 1 instrument;

- *Level 2* – inputs, other than the quoted market prices in active markets, which are observable, either directly and or indirectly. The Company's direct investment in Liard, for all years carried at fair market value is a Level 2 instrument; 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.

Risk Management

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) 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 January 31, 2017 is $177,916 (October 31, 2016 - $201,101).

b) Market Risk

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

Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. During the three months ended January 31, 2017 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 minimal impact on the total assets and loss of the Company.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As of January 31, 2017, the Company is exposed only on its cash balance.

Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by the relationship between the Canadian dollar and United States dollar as well as the global economic events that dictate levels of supply and demand.

c) 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.

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 January 31, 2017, the Company had $17,843 in US denominated cash balances.

11. RISKS AND UNCERTANTIES

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

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

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

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

Joint Ventures

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

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

Securing Additional Funding to Bring the Ore Body into Commercial Production

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

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

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

Estimates of Mineral Reserves and Resources May Not be Realized

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

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

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

Title Matters

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

Share Price Risk

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

12. PROPOSED TRANSACTIONS

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

For the Three Months Ended January 31, 2017 (Expressed in Canadian Dollars)

13. DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

a) Authorized

An unlimited number of common shares without par value.

b) Issued and Outstanding

Common Shares	Number	Amount
Opening Balance, October 31, 2016:	427,813,495	**$ 75,884,886**
Additions: There was no share activity in Q1 2017	-	-
Balance, March 30, 2017	**427,813,495**	**$ 75,884,886**

c) Warrants

As of the date of the MD&A, the Company has warrants outstanding entitling the holders to acquire common shares as follows:

Share Purchase Warrants	Number of Warrants	Amount
Opening Balance, October 31, 2016:	10,753,000	**$ 693,626**
There was no warrant activity in Q1 2017	-	-
Balance, March 30, 2017	**10,753,000**	**$ 693,626**

d) Stock Options

As of the date of the MD&A, the Company has options outstanding entitling the holders to acquire common shares as follows:

Stock Options	Weighted Avg. Exercise Price	Number of Options
Opening Balance, October 31, 2016:	$ 1.04	**550,000**
There was no stock option activity in Q1 2017	-	-
Balance, March 30, 2017	**$ 1.04**	**550,000**

For the Three Months Ended January 31, 2017 (Expressed in Canadian Dollars)

Exercise Price	Issue Date	Expiry Date	Balance Outstanding	Balance Vested
$1.04	April 24, 2012	April 24, 2017	550,000	**550,000**
Total			**550,000**	**550,000**

14. OFF-BALANCE SHEET ARRANGEMENTS

During the three months ended January 31, 2017, the Company was not party to any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, revenues, expenses, liquidity, capital expenditures or capital resources of the Company.

15. CHANGES IN ACCOUNTING STANDARDS

There were no changes in the Company's accounting policies during the three months ended January 31, 2017. New and revised accounting standards and interpretations issued but not yet adopted are described in Note 3, "Standards Issued but Not Yet Effective", of the audited consolidated financial statements for the year ended October 31, 2016.

16. CRITICAL ACCOUNTING ESTIMATES

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

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

Exploration and Evaluation Expenditures

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

Depreciation

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

Impairment

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

Site Closure and Reclamation Provisions

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

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

Title to Mineral Properties

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

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Share-Based Payments

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

Contingencies

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

17. APPROVAL

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