

Unaudited Interim Consolidated Financial Statements of:



COPPER FOX METALS INC.

For the Three Months Ended

January 31, 2016

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 Accountants for a review of interim financial statements by an entity's auditors.

COPPER FOX METALS INC.
Interim Consolidated Statements of Financial Position (*Unaudited*)
As at January 31, 2016 and October 31, 2015

	January 31, 2016	October 31, 2015
Assets		
<i>Current assets:</i>		
Cash	\$ 2,131,672	\$ 1,529,138
Trade and other receivable	215,083	233,762
Prepaid expenses and deposits	89,256	138,399
Total Current Assets	2,436,011	1,901,299
<i>Non-current assets:</i>		
Deposits	135,000	135,000
Investments (Note 4)	761,805	761,805
Exploration & evaluation assets (Note 5)	77,858,705	76,649,701
Property and equipment (Note 6)	140,848	153,654
Total Assets	\$ 81,332,369	\$ 79,601,459
Liabilities and Shareholders' Equity		
<i>Current liabilities:</i>		
Accounts payable and accrued liabilities	\$ 161,781	\$ 433,791
<i>Non-current liabilities:</i>		
Decommissioning liabilities (Note 7)	203,455	208,769
Deferred tax liabilities	2,775,725	2,775,725
Total Liabilities	3,140,961	3,418,285
<i>Shareholders' equity:</i>		
Share capital (Note 8)	75,482,935	74,035,461
Share purchase warrants (Note 8)	196,623	196,623
Contributed surplus	15,823,771	15,823,771
Non-ownership interest (Note 9)	1,883,488	1,977,887
Currency translation reserve	2,670,812	2,071,709
Deficit	(17,866,221)	(17,922,277)
Total Shareholders' Equity	78,191,408	76,183,174
Total Liabilities and Shareholders' Equity	\$ 81,332,369	\$ 79,601,459
Reporting entity and nature of operations (Note 1)		
Commitments (Note 13)		

Approved on behalf of the Board of Directors on March 23, 2016:

"J. Michael Smith"

J. Michael Smith, Director

"Elmer B. Stewart"

Elmer B. Stewart, Director

See accompanying notes to consolidated financial statements.

COPPER FOX METALS INC.
Interim Consolidated Statements of Comprehensive Gain *(Unaudited)*
Three Months Ended January 31, 2016 and January 31, 2015

	Three Months Ended	
	January 31, 2016	January 31, 2015
<i>Expenses:</i>		
Administration	\$ 304,691	\$ 312,320
Depreciation, amortization and accretion	7,492	8,600
Professional fees	3,250	392,537
Share based compensation	-	5,000
Interest income	(906)	(1,767)
Net Loss	314,527	716,690
<i>Other comprehensive income:</i>		
Foreign currency translation gain	(599,103)	(1,226,338)
Comprehensive Gain	\$ (284,576)	\$ (509,648)
<i>Net loss attributable to:</i>		
Common shareholders	\$ 286,055	\$ 652,023
Non-ownership interest	28,472	64,667
Net Loss	\$ 314,527	\$ 716,690
<i>Total comprehensive (gain)/loss attributable to:</i>		
Common shareholders	\$ (313,048)	\$ (574,315)
Non-ownership interest (Note 9)	28,472	64,667
Comprehensive Gain	\$ (284,576)	\$ (509,648)
Gain per share - basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average number of shares (Note 10)	408,574,412	407,660,044

See accompanying notes to consolidated financial statements.

COPPER FOX METALS INC.
Consolidated Statements of Changes in Equity (*Unaudited*)
Three Months Ended January 31, 2016 and January 31, 2015

	Share Capital	Warrants	Contributed Surplus	NOI	Currency Translation Reserve	Deficit	Total Shareholder's Equity
<i>Balance as at October 31, 2015:</i>	\$ 74,035,461	\$ 196,623	\$ 15,823,771	\$ 1,977,887	\$ 2,071,709	\$ (17,922,277)	\$ 76,183,174
Shares issued for cash	1,574,999	-	-	-	-	-	1,574,999
Share issuance costs	(127,525)	-	-	-	-	-	(127,525)
Currency translation adjustment	-	-	-	-	599,103	-	599,103
Reclassification of NOI	-	-	-	(65,927)	-	370,583	304,656
Net loss for the period	-	-	-	(28,472)	-	(314,527)	(342,999)
Balance as at January 31, 2016	\$ 74,482,935	\$ 196,623	\$ 15,823,771	\$ 1,883,488	\$ 2,670,812	\$ (17,866,221)	\$ 78,191,408

	Share Capital	Warrants	Contributed Surplus	NCI	Currency Translation Reserve	Deficit	Total Shareholder's Equity
<i>Balance as at October 31, 2014:</i>	\$ 74,035,461	\$ 196,623	\$ 15,823,771	\$ 2,592,674	\$ 543,026	\$ (17,028,782)	\$ 76,162,773
Currency translation adjustment	-	-	-	-	1,226,338	-	1,226,338
Reclassification of NCI	-	-	-	118,930	-	-	118,930
Net loss for the period	-	-	-	(64,667)	-	(652,023)	(716,690)
Balance as at January 31, 2015	\$ 74,035,461	\$ 196,623	\$ 15,823,771	\$ 2,646,937	\$ 1,769,364	\$ (17,680,805)	\$ 76,791,351

See accompanying notes to consolidated financial statements.

COPPER FOX METALS INC.
Consolidated Statements of Cash Flows *(Unaudited)*
Three Months Ended January 31, 2016 and January 31, 2015

	Three Months Ended	
	January 31, 2016	January 31, 2015
Cash Provided By/(Used in):		
<i>Operations:</i>		
Net loss	\$ (314,527)	\$ (716,690)
Depreciation, amortization and accretion	7,492	9,371
Share based compensation	-	5,000
Changes in non-cash working capital	51,746	368,978
Net Cash Used in Operating Activities	(255,289)	(333,341)
<i>Investing:</i>		
Investments	-	(109,023)
Mineral property expenditures	(332,303)	(1,361,213)
Changes in non-cash working capital	(247,637)	1,075,020
Net Cash Used in Investing Activities	(579,940)	(395,216)
<i>Financing:</i>		
Proceeds from issue of shares and warrants	1,439,336	222,950
Net Cash From Financing Activities	1,439,336	222,950
Increased/(decrease) in cash during the period	604,107	(505,607)
Effect of translation of foreign currency cash	(1,573)	142,417
Cash, beginning of period	1,529,138	1,654,421
Cash, End of Period	\$ 2,131,672	\$ 1,291,331

See accompanying notes to consolidated financial statements.

COPPER FOX METALS INC.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Three Months Ended January 31, 2016 and January 31, 2015

1. Reporting Entity and Nature of Operations

Copper Fox Metals Inc. (“**Copper Fox**” or the “**Company**”) was incorporated under the Business Corporations Act of Alberta. On July 14, 2010 the Company transferred its registration from Alberta and became incorporated under the Business Corporations Act of British Columbia. The Company is engaged in the exploration for and development of copper mineral properties in Canada and the United States. Copper Fox’s shares trade on the TSX Venture Exchange (“**TSX:V**”) under the trading symbol CUU. To date, the Company has not earned any revenue from these operations and is considered to be in the exploration and evaluation stage. The Company recognizes the potential need to obtain debt or equity financing to fund future exploration programs. There is no guarantee the Company will be successful in raising additional funds.

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.

2. Basis of Presentation and Significant Accounting Policies

These interim consolidated financial statements have been prepared in accordance and in compliance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and interpretations of the International Financial Reporting Interpretations Committee (“**IFRIC**”).

These interim unaudited consolidated financial statements follow the same accounting policies and methods of computation as outlined in Note 2 of the Company’s consolidated audited financial statements for the year ended October 31, 2015. These unaudited interim consolidated financial statements do not include all of the information required for reporting in the annual financial statements.

These interim unaudited consolidated financial statements were approved for issuance by the Board of Directors on March 23, 2016.

3. Recent Accounting Pronouncements

The IASB issued a number of new and revised accounting standards that are effective for periods beginning on or after January 1, 2016. These standards include the following:

- IFRS 9, Financial Instruments
- IFRS 10, Consolidated Financial Statements;
- IFRS 11, Business Combinations in a Joint Operation
- Amended IAS 16 and IAS 38, Methods of Depreciation
- Amended IAS 28, Investments in Associates and Joint Ventures; and

These new and revised accounting standards have been adopted by Copper Fox and the Company has determined there is no impact on the amounts recorded in its financial statements as at January 31, 2016.

COPPER FOX METALS INC.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Three Months Ended January 31, 2016 and January 31, 2015

4. Investments

Copper Fox holds 29,342 shares of Liard Copper Mines Ltd. (“**Liard**”), a private company incorporated in British Columbia. These shares are recorded at a cost with a value of \$759,305. Liard holds a 30% net proceeds interest royalty in the Schaft Creek project. The shares held by Copper Fox are in addition to the shares held by the Schaft Creek Joint Venture (“**SCJV**”) with Teck Resources Limited (“**Teck**”) and represent approximately 1.55% of the issued and outstanding shares of Liard.

Through Carmax Mining Corp (“**Carmax**”), the Company holds 100,000 common shares in Alexandria Minerals Corporation, an incorporated public company, quoted at market value of \$2,500.

5. Exploration and Evaluation Assets

	Balance October 31, 2015	Additions	Balance January 31, 2016
Arizona Properties:			
<i>Van Dyke Project:</i>			
Acquisition of property rights	\$ 2,585,093	\$ -	\$ 2,585,093
Technical analysis	5,444,345	135,210	5,579,555
Licenses and permits	56,029	-	56,029
Foreign exchange	1,514,936	734,992	2,249,928
Total Van Dyke Project	9,600,403	870,202	10,470,605
<i>Sombrero Butte Project:</i>			
Acquisition of property rights	\$ 847,819	\$ -	\$ 847,819
Technical analysis	562,525	13,183	575,708
Licenses and permits	64,466	-	64,466
Foreign exchange	293,686	135,099	428,785
Total Sombrero Butte Project	1,768,496	148,282	1,916,778
<i>Desert Fox Minerals Project:</i>			
Technical analysis	\$ 48,853	\$ 115,272	\$ 164,125
Foreign exchange	-	6,610	6,610
Total Desert Fox Minerals Project	48,853	121,882	170,735
Total Arizona Properties	\$ 11,417,752	\$ 1,140,366	\$ 12,558,118
British Columbia Properties:			
<i>Schaft Creek:</i>			
Acquisition of property rights	\$ 3,053,755	\$ -	\$ 3,053,755
Technical analysis	61,839,754	-	61,839,754
Licenses and permits	106,623	-	106,623
Sub-total Schaft Creek	65,000,132	-	65,000,132
BC Mineral Exploration Tax Credit	(3,571,178)	-	(3,571,178)
Total Schaft Creek	61,428,954	-	61,428,954
<i>Eaglehead:</i>			
Technical analysis	3,802,995	68,638	3,871,633
Total Eaglehead	3,802,995	68,638	3,871,633
Total British Columbia Properties	\$ 65,231,949	\$ 68,638	\$ 65,300,587
Total Mineral Properties	\$ 76,649,701	\$ 1,209,004	\$ 77,858,705

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Three Months Ended January 31, 2016 and January 31, 2015

	Balance October 31, 2014	Additions	Balance October 31, 2015
Arizona Properties:			
<i>Van Dyke Project:</i>			
Acquisition of property rights	\$ 2,585,093	\$ -	\$ 2,585,093
Technical analysis	4,590,127	854,218	5,444,345
Licenses and permits	56,029	-	56,029
Foreign exchange	272,258	1,242,678	1,514,936
Total Van Dyke Project	7,503,507	2,096,896	9,600,403
<i>Sombrero Butte Project:</i>			
Acquisition of property rights	\$ 847,819	\$ -	\$ 847,819
Technical analysis	167,304	395,221	562,525
Licenses and permits	64,466	-	64,466
Foreign exchange	86,712	206,974	293,686
Total Sombrero Butte Project	1,166,301	602,195	1,768,496
<i>Desert Fox Minerals Project:</i>			
Technical analysis	\$ -	\$ 48,853	\$ 48,853
Total Desert Fox Minerals Project	-	48,853	48,853
Total Arizona Properties	\$ 8,669,808	\$ 2,747,944	\$ 11,417,752
British Columbia Properties:			
<i>Schaft Creek:</i>			
Acquisition of property rights	\$ 3,053,755	\$ -	\$ 3,053,755
Technical analysis	61,816,854	22,900	61,839,754
Licenses and permits	106,623	-	106,623
Sub-total Schaft Creek	64,977,232	22,900	65,000,132
BC Mineral Exploration Tax Credit	(4,427,812)	856,634	(3,571,178)
Total Schaft Creek	60,549,420	879,534	61,428,954
<i>Eaglehead:</i>			
Technical analysis	3,005,454	797,541	3,802,995
Total Eaglehead	3,005,454	797,541	3,802,995
Total British Columbia Properties	\$ 63,554,874	\$ 1,677,075	\$ 65,231,949
Total Mineral Properties	\$ 72,224,682	\$ 4,425,019	\$ 76,649,701

During the year ended October 31, 2013, the Company entered into an agreement with Teck to jointly develop the Schaft Creek project in northwestern British Columbia. The agreement replaced and superseded the 2002 option agreement between Teck and Copper Fox in connection with the Schaft Creek project and gave Teck a 75% interest and Copper Fox a 25% interest in the Schaft Creek project, with Teck being the operator.

In addition to Copper Fox's interest in the SCJV, Copper Fox holds, through Desert Fox Copper Inc. ("Desert Fox") and its wholly-owned subsidiaries, the Sombrero Butte Copper Project and Mineral Mountain Copper Project located in Pinal County, Arizona and the Van Dyke Copper Project located in

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Three Months Ended January 31, 2016 and January 31, 2015

Gila County, Arizona.

The Company also holds a controlling interest in Carmax which holds the Eaglehead property located in northwestern British Columbia (see Note 9).

For the three month period ended January 31, 2016 the Company capitalized \$12,350 (October 31, 2015 - \$71,222) for technical services provided by its officers and directors.

6. Property and Equipment

Description	Cost	Accumulated Amortization	Net Book Value January 31, 2016	Net Book Value October 31, 2015
Asset retirement obligation	\$ 134,426	\$ 82,150	\$ 52,276	\$ 61,128
Buildings	137,250	83,077	54,173	55,561
Computer equipment	82,544	69,314	13,230	14,302
Furniture & equipment	46,887	38,994	7,893	8,309
Heavy equipment	173,332	160,056	13,276	14,354
Total	\$ 574,439	\$ 433,591	\$ 140,848	\$ 153,654

Property and equipment are stated at cost which includes the acquisition price and any direct costs to bring the asset into productive use at its intended location.

7. Decommissioning Liabilities

The Company's decommissioning liabilities relate to the Company's share of reclamation and closure costs for the Schaft Creek and Eaglehead properties. The total decommissioning liability is based on the Company's estimated costs to reclaim the property and facilities along with the estimated timing costs to be incurred in future years.

The Company has estimated the net present value of its share of the decommissioning liabilities of Schaft Creek to be \$167,847 as at January 31, 2016 (October 31, 2015 - \$173,302) based on an undiscounted and inflated future liability of \$195,091 (October 31, 2015 - \$196,316). These payments are expected to be made in the next 5.75 years.

The Company's estimated risk free rate of 1.41% (October 31, 2015 – 1.46%) and inflation rate of 1.97% (October 31, 2015 – 2.10%) were used to calculate the present value of the decommissioning liabilities.

The decommissioning provision for the Eaglehead exploration and evaluation asset was estimated by management based on the Company's ownership interest, the estimated timing of the risk adjusted costs to be incurred in future periods and the Company's risk free interest rate of 1.41% as at January 31, 2016.

The Company has estimated the net present value of this provision at January 31, 2016 to be \$35,608 (October 31, 2015 - \$35,467) based on a total undiscounted liability of \$36,500. This undiscounted cost

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Three Months Ended January 31, 2016 and January 31, 2015

was determined by using a risk adjusted rate of inflation of 5% annually. These costs are expected to be incurred in 2017.

Description	Copper Fox	Carmax	Totals
Opening Balance, October 31, 2015:	\$ 173,302	\$ 35,467	\$ 208,769
Accretion – Carmax	-	141	141
Accretion – Copper Fox	858	-	858
Revisions – Copper Fox	(6,313)	-	(6,313)
Balance, January 31, 2016	\$ 167,847	\$ 35,608	\$ 203,455

8. 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 none have been issued. Issued and outstanding shares are as follows:

Common Shares	Number	Amount
Opening Balance, October 31, 2015:	407,660,044	\$ 74,035,461
Additions	9,400,450	1,447,474
Balance, January 31, 2016	417,060,494	\$ 75,482,935

Warrants

Share Purchase Warrants	Number of Warrants	Amount
Balance, October 31, 2015 and January 31, 2016	3,358,228	\$ 196,623

As of January 31, 2016, the Company has warrants outstanding entitling the holders to acquire common shares as follows:

Exercise Price	Expiry Date	Fair Value	Number of Warrants	Fair Value Amount
1.00	April 8, 2016	\$ 0.0585	3,358,228	\$ 196,623

Stock Option Plan

The number of shares reserved for issuance under the Company's stock option plan is limited to 10% of the number of shares which are issued and outstanding on the date of a particular grant of options. Under the plan, the Board of Directors determines the term of a stock option (up to a maximum of 10 years), the vesting period of the options and the option exercise price, which shall not be less than the closing price of the Company's share on the TSX:V immediately preceding the date of grant. The Compensation Committee determines and makes recommendations to the Board of Directors as to the

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Three Months Ended January 31, 2016 and January 31, 2015

recipients, nature and size of the share-based compensation awards in compliance with applicable securities law, stock exchange and other regulatory requirements.

Share Purchase Options	Number of Options
Balance, October 31, 2015 and January 31, 2016	1,575,000

As of January 31, 2016, the Company has options outstanding entitling the holders to acquire common shares as follows:

Exercise Price	Issue Date	Expiry Date	Balance Outstanding	Balance Vested
\$1.69	March 2, 2011	March 2, 2016	1,025,000	1,025,000
\$1.04	April 24, 2012	April 24, 2017	550,000	550,000
Total			1,575,000	1,575,000

9. Non-Ownership Interest

On January 12, 2016, the Company, through Northern Fox, closed a \$1,500,000 equity flow through private placement in Carmax. The private placement consisted of 30,000,000 shares at a cost of \$0.05 per share.

Copper Fox now beneficially owns and controls 66,566,528 of the 101,742,525 issued and outstanding common shares of Carmax, representing a 65.4% ownership of Carmax.

The non-ownership interest is as follows:

	Ownership interest not held by Copper Fox at January 31, 2016
Percent owned by Carmax Mining Corp.	34.6%

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Notes to the Interim Consolidated Financial Statements (Unaudited)

Three Months Ended January 31, 2016 and January 31, 2015

The following is summarized financial information for Carmax before any intercompany elimination:

	Carmax Financials as at January 31, 2016
Total comprehensive loss	\$ 82,289
Total Comprehensive Loss Attributable To Non-Ownership Interest	28,472
Current assets	1,640,650
Non-current assets	9,390,419
Current liabilities	(70,569)
Non-current liabilities	(135,608)
Consolidation fair value adjustments	(5,381,285)
Net assets	5,443,607
Net Assets Attributable To Non-Ownership Interest	\$ 1,883,488
Cash flows used in operating activities	(57,782)
Cash flows used in investing activities	(316,276)
Cash flows from financing activities	1,491,862
Net Increase In Cash	\$ 1,117,804

10. Weighted Average Number of Shares

Per share amounts are computed by dividing total comprehensive gain for the period by the weighted average number of shares outstanding. In computing per share amounts, the weighted average number of shares outstanding for the three months ended January 31, 2016 was 408,574,412 (October 31, 2015 – 407,660,044). Stock options and warrants granted by the Company have not been included in the computation of diluted per share amounts as they are anti-dilutive.

11. Related Party Transactions

Copper Fox

As at January 31, 2016, \$Nil (October 31, 2015 – \$Nil) for management services and technical services were included in accounts payable.

Carmax

At January 31, 2016, included in accounts payable and accrued liabilities is \$Nil (October 31, 2015 – (3,806)) owing to companies controlled by directors, \$Nil (October 31, 2015 - \$4,830) owing to Companies controlled by officers for services rendered to the Company. In addition, for the three month period ended January 31, 2016 \$3,750 (October 31, 2015 - \$11,900) was paid in rent to companies controlled by either a director or an officer of Carmax and \$4,263 (October 31, 2015 – \$73,403) was paid and capitalized to Eaglehead for services rendered by a company controlled by a director.

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Three Months Ended January 31, 2016 and January 31, 2015

Promissory Note

On October 28, 2015 Copper Fox entered into a promissory note loan (the “**Loan**”) with Carmax, whereas Copper Fox agreed to lend Carmax up to \$400,000, in minimum increments of \$50,000, for working capital purposes, as needed. Carmax shall pay interest on the principle, from the disbursement date to the due date, November 30, 2016, at a rate of 1%, compounded monthly.

At any time during the term of the Loan, Copper Fox, at its sole discretion, can convert a portion or all of the loan outstanding, including unpaid interest, into free trading shares of Carmax at a price equal to the greater of \$0.05 or the 10-day average trading price, calculated over the period after notice is given, subject to the prior approval of the exchange.

As at January 31, 2016, Copper Fox had loaned Carmax \$100,000. This loan outstanding is eliminated upon consolidation of Copper Fox and Carmax.

12. Key Management Compensation

The remuneration of the chief executive officer, chief financial officer, directors and those persons having authority and responsibility for planning, directing and controlling activities of the Company as well as Carmax are as follows:

Description	January 31, 2016	October 31, 2015
Director fees	4,500	10,500
Salaries	119,312	589,819
Share-based compensation	-	38,260
Total	\$ 123,812	\$ 638,579

13. Commitments

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

Year Ended	2016	2017	2018	2019
Amount	\$ 83,011	\$ 112,031	\$ 116,078	\$ 87,058

The Company is also committed to pay the balance outstanding of two option payments totalling US \$260,000 (CDN \$340,158) under the Sombrero Butte acquisition agreement. The next payment of US \$130,000 (CDN \$170,079) is due on October 15, 2016 and the final payment of US \$130,000 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

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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.

14. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, investment and trade and other payables.

Determination of Fair Value

Fair values have been determined for measurement and or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash and cash equivalents, trade and other receivables and trade and other payables on the balance sheet approximate their fair value because of the limited term of these instruments.

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 through its ownership of Carmax in Alexandria Minerals Corporation is a Level 1 instrument;
- *Level 2* – inputs, other than the quoted market prices in active markets, which are observable, either directly and or indirectly; and
- *Level 3* – unobservable inputs for the asset or liability in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The Company's direct investment in Liard is a level 3 instrument.

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

- Credit risk
- Market risk
- Liquidity risk

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from partners and tax authorities. The maximum exposure to credit risk at January 31, 2016 is \$215,083 (October 31, 2015 - \$233,762) which is comprised of GST and accounts receivable.

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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, 2016 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.

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, 2016, the Company is exposed only on its cash balance.

Commodity Price Risk

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

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's financial liabilities consist of accounts payable and accruals. Accounts payable consists of invoices payable to trade suppliers for office, field operating activities and capital expenditures. The Company processes invoices within a normal payment period of approximately 30 days. Accounts payable have contractual maturities of less than one year. The Company maintains and monitors a certain level of cash flow which is used to finance all operating and capital expenditures.

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, 2016, the Company had \$33,697 in US denominated cash balances.

Capital Management

The Company's capital structure includes working capital and shareholders' equity. The Company is largely reliant on junior resource venture capital markets for additional financing requirements.

COPPER FOX METALS INC.*Notes to the Interim Consolidated Financial Statements (Unaudited)***Three Months Ended January 31, 2016 and January 31, 2015****15. Geographic Segments**

	As At	
	January 31, 2016	October 31, 2015
<i>Net Loss Before Taxes:</i>		
Canada	\$ 298,917	\$ 1,635,523
United States	15,610	274,829
Total	\$ 314,527	\$ 1,910,352
<i>Capital Expenditures:</i>		
Canada	\$ 68,638	\$ 1,677,078
United States	263,665	1,298,292
Total	\$ 332,303	\$ 2,975,370

	January 31, 2016	October 31, 2015
<i>Total Assets:</i>		
Canada	\$ 68,609,240	\$ 68,058,237
United States	12,723,129	11,543,222
Total	\$ 81,332,369	\$ 79,601,459