

Condensed Interim Consolidated Financial Statements of



COPPER FOX METALS INC.

For the nine months ended July 31, 2013 and July 31, 2012

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 condensed 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 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.

Condensed Interim Consolidated of Financial Position
As at July 31, 2013 and October 31, 2012

	31-Jul-13	31-Oct-12
Assets		
Current assets:		
Cash and cash equivalents	\$ 19,821,024	\$ 1,457,148
Trade and other receivables	5,163,238	4,489,291
Prepaid expenses and deposits	760,513	1,754,508
Total current assets	25,744,775	7,700,947
Non-current assets		
Investment	759,305	759,305
Exploration & evaluation assets (note 5)	63,141,394	80,893,642
Property and equipment (note 4)	229,304	914,026
Total non-current assets	64,130,003	82,566,973
Total assets	\$ 89,874,778	\$ 90,267,920
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables	\$ 296,254	\$ 561,689
Shareholder loan	-	2,000,000
Total current liabilities	296,254	2,561,689
Non-current liabilities		
Decommissioning liabilities (note 6)	164,513	696,165
Deferred tax liabilities	4,618,371	8,506,133
Total non-current liabilities	4,782,884	9,202,298
Shareholders' equity		
Share capital (note 7)	82,752,183	79,484,847
Share purchase warrants (note 7)	4,507,089	4,771,977
Contributed surplus	12,864,717	11,469,644
Deficit	(15,328,349)	(17,222,535)
Total shareholders' equity	84,795,640	78,503,933
Total liabilities and shareholders' equity	\$ 89,874,778	\$ 90,267,920
Subsequent event (note 10)		
Commitment (note 11)		

See accompanying notes to consolidated interim financial statements.

COPPER FOX METALS INC.

Condensed Interim Consolidated Statements of Comprehensive Loss/(Income)
Three and nine months ended July 31, 2013 and July 31, 2012

	Three Months Ended		Nine Months Ended	
	July 31, 2013	July 31, 2012	July 31, 2013	July 31, 2013
Expenses:				
Administration	\$ 379,924	\$ 478,423	\$ 1,072,919	\$ 1,233,814
Depreciation, amortization and accretion	39,693	45,102	111,498	123,487
Professional fees	314,820	320,465	729,636	545,268
Share based compensation	35,880	484,338	79,522	494,304
Net loss before income tax	770,317	1,328,328	1,993,575	2,396,873
Deferred income tax expense (income)	(3,887,762)	732,463	(3,887,762)	732,463
Net loss (income) and comprehensive loss (income)	\$ (3,117,445)	\$ 2,060,791	\$ (1,894,187)	\$ 3,129,336
Loss per share - basic and diluted	\$ (0.01)	\$ 0.01	\$ (0.00)	\$ 0.01
Weighted average number of shares (note 8)	399,718,652	388,094,627	399,718,652	384,743,069

See accompanying notes to consolidated interim financial statements.

COPPER FOX METALS INC.

Condensed Interim Consolidated Statements of Changes in Equity
 Nine months ended July 31, 2013 and July 31, 2012

	Share Capital	Warrants	Contributed Surplus	Deficit	Total Shareholder Equity
Balance as at October 31, 2012	\$ 79,484,847	\$ 4,771,975	\$ 11,469,644	\$ (17,222,536)	\$ 78,503,930
Non flow through private placement (Note 7)	4,153,000				4,153,000
Common shares issued in connection with options exercised	213,647		(48,647)		165,000
Warrants issued	(1,099,311)	1,099,311			-
Warrants expired		(1,364,197)	1,364,197		-
Share based compensation			79,523		79,523
Net (loss)/income for the period				1,894,187	1,894,187
Balance as at July 31, 2013	\$ 82,752,183	\$ 4,507,089	\$ 12,864,717	\$ (15,328,349)	\$ 84,795,640

	Share Capital	Warrants	Contributed Surplus	Deficit	Total Shareholder Equity
Balance as at October 31, 2011	\$ 65,046,827	\$ 1,019,607	\$ 9,912,109	\$ (14,013,339)	\$ 61,965,204
Non flow through private placement	12,080,000				12,080,000
Common shares issued in connection with warrants exercised	155,137	(60,013)			95,124
Common shares issued in connection with options exercised	449,859		(201,857)		248,002
Warrants issued	(3,797,721)	3,797,721			-
Share based compensation			665,502		665,502
Net loss for the period				(2,396,873)	(2,396,873)
Balance as at July 31, 2012	\$ 73,934,102	\$ 4,757,315	\$ 10,375,754	\$ (16,410,212)	\$ 72,656,959

See accompanying notes to consolidated interim financial statements.

COPPER FOX METALS INC.

Condensed Interim Consolidated Statements of Cash Flow
 Nine months ended July 31, 2013 and July 31, 2012

	Nine Months Ended	
	July 31, 2013	July 31, 2012
Cash provided by (used in):		
Operations:		
Net (loss)/income for the period	\$ 1,894,187	\$ (2,396,873)
Deferred income tax	(3,887,762)	-
Depreciation, amortization and accretion	111,498	123,487
Share based compensation	79,522	494,304
Change in non-cash working capital		
Prepaid expenses	993,994	(812,357)
Other receivables	198,575	254,149
Other payables	30,354	(46,063)
Net cash used in operating activities	(579,632)	(2,383,353)
Financing:		
Shareholder loan	(2,000,000)	2,000,000
Proceeds from issue of shares and warrants	4,318,000	11,023,126
Net cash from financing activities	2,318,000	13,023,126
Investing:		
Mineral property expenditures	(3,368,269)	(10,335,808)
Mineral property acquisitions	(2,094,727)	(99,890)
Capital reimbursement from JV	23,126,400	-
Acquisition of property and equipment	(47,715)	(13,481)
Change in non-cash working capital		
Mineral property receivables	(694,392)	-
Mineral property payables	(295,789)	(804,256)
Net cash used in investing activities	16,625,508	(11,253,435)
Increase in cash and cash equivalents during period	18,363,876	(613,662)
Cash and cash equivalents, beginning of period	1,457,148	1,271,025
Cash and cash equivalents, end of period	\$ 19,821,024	\$ 657,363

See accompanying notes to consolidated interim financial statements.

COPPER FOX METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements Three and nine months ended July 31, 2013 and 2012

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 porphyry copper mineral properties. Copper Fox's shares trade on the TSX Venture ('TSXV') 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 development stage

The Company's registered office is at Suite 650 – 340 12 Avenue SW, Calgary, AB. The consolidated interim financial statements as at and for the three and nine months ended July 31, 2013 comprise the accounts of the Company and its wholly owned subsidiaries.

2. Basis of Presentation

These consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ('IAS') 34, Interim Financial Reporting using accounting policies consistent with IFRS issued by the International Accounting Standards Board ('IASB') and interpretations of the IFRS Interpretations Committee ('IFRIC'). These consolidated interim financial statements have been prepared on the basis of accounting policies, methods of computation and significant judgements made by management consistent with those applied in and should be read in conjunction with the Company's October 31, 2012 consolidated financial statements.

These consolidated interim financial statements were approved for issue by the Board of Directors on September 27, 2013.

3. Recent accounting pronouncements

The IASB issued a number of new and revised accounting standards that are effective for annual periods beginning on or after January 1, 2013. These standards include the following:

- i. IFRS 10, Consolidated Financial Statements;
- ii. IFRS 11, Joint Arrangements;
- iii. IFRS 12, Disclosure of Interests in Other Entities;
- iv. IFRS 13, Fair Value Measurement;
- v. Amended IAS 27, Separate Financial Statements;
- vi. Amended IAS 28, Investments in Associates and Joint Ventures; and
- vii. IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine.

In December 2011, the IASB amended IFRS 9, Financial Instruments, which is effective for periods beginning on or after January 1, 2015. In May 2012, the IASB amended IAS 1, Presentation of Financial Statements, which is effective for annual periods beginning on or after January 1, 2013.

These new and revised accounting standards have not yet been adopted by Copper Fox, and the Company has not yet completed the process of assessing the impact they will have on its financial statements, or whether to early adopt any of the new requirements.

4. Property and equipment

	Rate	Cost	Accumulated Amortization	Net Book Value July 31, 2013	Net Book Value October 31, 2012
Computer equipment	30%	\$ 72,841	\$ 51,606	\$ 21,235	\$ 22,531
Furniture & equipment	20%	46,887	33,093	13,794	16,228
Buildings	10%	337,939	267,585	70,354	304,232
Heavy equipment	30%	601,749	567,431	34,318	124,540
Asset retirement obligation		291,895	202,292	89,603	446,495
		\$ 1,351,311	\$ 1,122,007	\$ 229,304	\$ 914,026

5. Exploration and evaluation assets

	Balance October 31, 2012	Additions	Balance July 31, 2013
Arizona properties			
Acquisition of property rights	\$ 977,808	\$ 2,076,860	\$ 3,054,668
Technical analysis	22,808	146,848	169,656
Licenses and permits	30,119	55,825	85,944
Total Arizona properties	1,030,735	2,279,533	3,310,268
British Columbia Properties ES, GS and South Zone			
Acquisition of property rights	3,035,788	17,867	3,053,655
Technical analysis	171,213	17,809	189,022
Sub-total ES, GS and South Zone	3,207,001	35,676	3,242,677
Joint venture capital reimbursement	-	(2,432,008)	(2,432,008)
Total ES, GS and South Zone	3,207,001	(2,396,332)	810,669
SC Zone			
Acquisition of property rights	100	-	100
Technical analysis	80,774,250	3,147,787	83,922,037
Licenses and permits	106,623	-	106,623
Sub-total SC Zone	80,880,973	3,147,787	84,028,760
Joint venture capital reimbursement	-	(20,605,105)	(20,605,105)
BC mineral exploration tax credit	(4,225,067)	(178,131)	(4,403,198)
Total SC Zone	76,655,906	(17,635,449)	59,020,457
Total mineral properties	\$ 80,893,642	\$ (17,752,248)	\$ 63,141,394

	Balance October 31, 2011	Additions	Balance October 31, 2012
Arizona properties			
Acquisition of property rights	\$ -	\$ 977,808	\$ 977,808
Technical analysis	-	22,808	22,808
Licenses and permits	-	30,119	30,119
Total Arizona properties	-	1,030,735	1,030,735
British Columbia Properties			
ES, GS and South Zone			
Acquisition of property rights	2,943,788	92,000	3,035,788
Technical analysis	116,133	55,080	171,213
Total ES, GS and South Zone	3,059,921	147,080	3,207,001
SC Zone			
Acquisition of property rights	100	-	100
Technical analysis	68,017,792	12,756,458	80,774,250
Licenses and permits	106,623	-	106,623
	68,124,515	12,756,458	80,880,973
BC mineral exploration tax credit	-	(4,225,067)	(4,225,067)
Total SC Zone	68,124,515	8,531,391	76,655,906
Total mineral properties	\$ 71,184,436	\$ 9,709,206	\$ 80,893,642

Copper Fox is a Canadian resource development company listed on the TSX-Venture Exchange (TSX-V: CUU) with offices in Calgary, Alberta and Vancouver, British Columbia.

Copper Fox holds a 25% interest in a joint venture (the 'Schaft Creek Joint Venture') with Teck Resources Limited ('Teck') on the Schaft Creek project in northwestern British Columbia.

Terms of the Schaft Creek Joint Venture entered into on July 15, 2013.

- a) The agreement replaces and supersedes the 2002 option and joint venture agreement between Teck and Copper Fox in connection with Schaft Creek;
- b) Teck holds a 75% interest and Copper Fox holds a 25% interest;
- c) Teck is the operator of the Schaft Creek Joint Venture;
- d) Teck will pay a total of \$60 million in three direct cash payments to Copper Fox: \$20 million upon signing the Schaft Creek Joint Venture Agreement, \$20 million upon a Production Decision, and \$20 million upon the completion of the mine facility. The first \$20 million has been received by Copper Fox and credited as a reimbursement of capital against the SC Zone in mineral properties, the second and third payments are dependent upon future requirements being met, which cannot be determined at this time. They can be impacted by e and g below and will be recorded when received;
- e) In addition, Teck will fund 100% of costs incurred prior to a production decision up to \$60 million; Copper Fox's pro rata share of any pre-production costs in excess of \$60

million will be funded by Teck and the direct cash payments payable to Copper Fox will be reduced by an equivalent amount, and Teck will 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.

- f) Teck has reimbursed \$3.93 million for Schaft Creek mineral tenure acquisition costs and costs related to Stewart Bulk Terminal land reservation agreement incurred by Copper Fox. Of this, \$1.5 million has been credited against prepaid expenses in relation to the Port of Stewart agreement and \$2.43 million has been credited as a reimbursement of capital against the ES, GS and South Zones in mineral properties;
- g) Management of the Joint Venture is made up of two representatives from Teck and Copper Fox with voting proportional to equity interests.
- h) Teck has agreed to use all reasonable commercial efforts to arrange project equity and debt financing for project capital costs of constructing a mining operation upon a production decision being made; Teck has agreed to fund Copper Fox's pro rata share of project capital costs by way of loan, if requested by Copper Fox, without dilution to Copper Fox's 25% joint venture interest.
- i) Teck will also reimburse Copper Fox for 75% of "transitional expenses" being all expenditures made on the property by Copper Fox from May 1, 2013 to the date of the agreement (July 15, 2013). This amount of \$694,392 is listed as a receivable as of July 31, 2013 and is credited as a reimbursement of capital against the SC Zone in mineral properties.

The shares representing the 78% interest in Liard Copper Mines Limited ('Liard') that are included in the Schaft Creek Joint Venture will be held in the name of Teck for the benefit of Copper Fox (25%) and Teck (75%). Liard holds a 30% net profits interest in the Schaft Creek property.

In addition to Copper Fox's interest in the Schaft Creek Joint Venture, Copper Fox holds, through Desert Fox Copper Inc. ('Desert Fox') and its wholly-owned subsidiaries, mineral tenures located in Pinal County, Arizona (the 'Sombrero Butte Copper Project') and in Miami, Arizona (the 'Van Dyke Copper Project').

For the three and nine months ended July 31, 2013 the Company has capitalized \$176,353 (2012 - \$190,858) and \$526,143 (2012 - \$452,279) of management and technical services provided by its officers and directors (see note 9).

At July 31, 2013, the Company has recorded \$4,403,198 (July 31, 2012 – Nil) for Mineral Exploration Tax Credit claims which have been recorded as a reduction of exploration and evaluation expenditures. This credit is to be paid in cash and is recorded as a current receivable on the Company's statement of financial position.

6. Decommissioning liabilities

The Company's decommissioning liabilities relate to 25% of reclamation and closures costs of the Schaft Creek Property. The total decommissioning liability is based on the Company's estimated costs to reclaim and abandon the property and facilities and the estimated timing of the costs to be incurred in future years. The Company has estimated 25% of the net present value of the decommissioning liabilities to be \$164,513 at July 31, 2013 (October 31, 2012 - \$696,165 (100%)) based on an undiscounted and inflated future liability of \$796,404 (October 31, 2012 - \$815,970). These payments are expected to be made in the next 8.25 years.

The Company's estimated risk free rate of 2.34% (October 31, 2012 – 1.78%) and an inflation rate of 1.23% (October 31, 2012 – 1.40%) were used to calculate the present value of the decommissioning liabilities.

Balance, November 1, 2010	\$	612,272
Revisions		71,809
Accretion		16,463
Balance, October 31, 2011	\$	700,544
Revisions		(18,008)
Accretion		13,629
Balance, October 31, 2012	\$	696,165
Revisions		(541,687)
Accretion		10,035
Balance, July 31, 2013	\$	164,513

7. Share capital

(a) Authorized

Authorized share capital consists of an unlimited number of common shares and an unlimited number of first and second preferred shares, of which none have been issued. Issued and outstanding shares are as follows:

Common Shares	Number	Amount
Balance, October 31, 2011	380,570,830	\$ 65,046,827
Non Flow through shares issued	16,225,329	18,605,000
Value ascribed to warrants issued		(4,771,977)
Options exercised	725,000	248,003
Transfer from contributed surplus on option exercise		201,857
Warrants exercised	126,833	95,124
Transfer from contributed surplus on warrant exercise		60,013
Balance, October 31, 2012	397,647,992	79,484,847
Non Flow through shares issued	5,122,934	4,153,000
Value ascribed to warrants issued		(1,099,311)
Options exercised	194,118	165,000
Transfer from contributed surplus on option exercise		48,647
Balance, July 31, 2013	402,965,044	\$ 82,752,183

During the nine months ended July 31, 2013, the Company issued the following:

- (a) 1,764,706 units at a purchase price of \$0.85 per unit, for aggregate net proceeds of \$1,500,000. Each unit consists of one common share of Copper Fox and one common share purchase warrant of Copper Fox. Each warrant entitles the holder thereof to acquire one common share of Copper Fox at an exercise price of \$1.00 prior to January 22, 2014. This transaction was completed with an insider of the Company and no finder's fees or commissions were paid.

(b) 3,358,228 units at a purchase price of \$0.79 per unit, for aggregate net proceeds of \$2,653,000. Each unit consists of one common share of Copper Fox and one common share purchase warrant of Copper Fox. Each warrant entitles the holder thereof to acquire one common share of Copper Fox at an exercise price of \$1.00 prior to April 8, 2014. This transaction was completed largely with an insider of the Company and no finder's fees or commissions were paid.

(b) Warrants

Share Purchase Warrants	Number	Amount
Balance, October 31, 2011	3,460,167	\$ 1,019,607
Issued	14,952,602	4,771,977
Exercised	(126,833)	(60,013)
Expired	(3,333,334)	(959,594)
Balance, October 31, 2012	14,952,602	4,771,977
Issued	5,122,934	1,099,311
Expired	(4,000,000)	(1,364,199)
Balance, July 31, 2013	16,075,536	\$ 4,507,089

As of July 31, 2013, 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	Exercise Amount
1.35	13-Dec-13	0.31	3,278,689	1,002,988	4,426,230
1.25	30-Jan-14	0.42	2,000,000	845,919	2,500,000
1.25	10-Sep-13	0.32	3,500,000	1,113,251	4,375,000
1.25	24-Oct-13	0.20	2,173,913	445,620	2,717,391
1.00	22-Jan-14	0.21	1,764,706	378,680	1,764,706
1.00	8-Apr-14	0.21	3,358,228	720,631	3,358,228
			16,075,536	\$ 4,507,089	\$ 19,141,555

The fair value of the warrants issued during the nine months ending July 31, 2013 and 2012 were determined using the Black-Scholes valuation model using the following assumptions:

	31-Jul-13	31-Jul-12
Dividend yield	0.00%	0.00%
Expected volatility	61% to 63%	77% to 98%
Risk-free interest rate	1.01% to 1.13%	.95% to 1.01%
Expected life	1 year	1 year

(c) 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 to a maximum of 10 years, the period of time during which the options may

vest and become exercisable as well as the option exercise price which shall not be less than the closing price of the Company's share on the Toronto Stock Exchange immediately preceding the date of grant. The Compensation Committee determines and makes recommendations to the Board of Directors as to the recipients of, and nature and size of, share-based compensation awards in compliance with applicable securities law, stock exchange and other regulatory requirements.

A summary of changes in the Company's outstanding stock options is presented below:

Balance, October 31, 2012	10,785,000
Issued	635,000
Exercised	(194,118)
Expired	(640,882)
Balance, July 31, 2013	10,585,000

Options outstanding are as follows:

Exercise Price	Issue Date	Expiry Date	Balance Outstanding	Balance Vested
\$0.78	Feb-07	Jan-14	600,000	600,000
\$0.78	Sep-07	Jan-14	400,000	400,000
\$0.45	Jun-08	Jun-13	1,675,000	1,675,000
\$0.10	Jul-09	Jul-14	1,000,000	1,000,000
\$0.15	Oct-09	Sep-14	3,150,000	3,150,000
\$0.15	Nov-09	Sep-14	500,000	500,000
\$1.69	Mar-11	Mar-16	1,675,000	1,675,000
\$1.04	May-12	Apr-17	950,000	950,000
\$0.94	Jan-13	Jan-14	635,000	415,000
			10,585,000	10,365,000

During the three months ended January 31, 2013 the Company approved an incentive stock option grant to officers and directors of the Company for the purchase of a total of 635,000 shares of Copper Fox at an exercise price of \$0.94 per share (2012 – Nil). Of these, 585,000 vest in three equal installments on April 23, 2013, July 23, 2013 and October 23, 2013 and the remaining 50,000 vest quarterly over a one year period. All issued options expire on January 22, 2014. During the nine months ended July 31, 2013 share based compensation expense of \$79,522 (2012 – \$494,304) was recorded. This amount is recorded to contributed surplus and upon exercise will be recorded as an increase to share capital.

The fair value of the options issued has been determined using the Black-Scholes valuation model using the following assumptions:

	2013
Dividend yield	0.00%
Expected volatility	64%
Risk-free interest rate	1.13%
Expected life	1 Year
Fair value	\$0.18

8. Weighted average number of shares

Loss per share is computed by dividing net loss for the period by the weighted average number of shares outstanding. In computing loss per share the weighted average number of shares outstanding during the three and nine months ended July 31, 2013 were 399,718,652 (2012 – 388,094,627) and 399,718,652 (2012 – 384,743,069) common shares. Stock options and warrants granted by the Company during this period have not been included in the computation of loss per share as they are anti-dilutive.

9. Related party transactions

During the three and nine months ended July 31, 2013 directors and officers of the Company incurred \$221,353 (2012 - \$293,858) and \$776,463 (2012 - \$663,279) for management and technical services on behalf of the Company. At July 31, 2013 \$32,588 (2012 – \$21,784) is included in accounts payable. Share based compensation issued to related parties during the nine months ended July 31, 2013 was 365,000 options for a total fair market value of \$67,303 (2012 – Nil). These options are recorded on a graded vesting basis with \$44,869 vesting in the nine months ended July 31, 2013.

10. Subsequent events

Subsequent to July 31, 2013, the Company announced the following:

- a) A tax free cash distribution of \$0.0275/share as a return of capital was declared to shareholders of record on Tuesday, August 20, 2013 (the "Record Date"). The ex-distribution date for this distribution was Friday, August 16, 2013. The distribution was paid to shareholders on Thursday August 29, 2013 for a total of \$11,130,351;
- b) The Company's wholly-owned subsidiary has been named "Desert Fox Copper Inc." ('Desert Fox') and is the primary operating vehicle responsible for acquisitions, and exploration and development activities;
- c) The subsidiaries of Desert Fox have been renamed as follows: Copper Fox Minerals Co. to Desert Fox Minerals Co., Copper Fox Van Dyke Co. to Desert Fox Van Dyke Co. and Copper Fox Sombrero Butte Co. to Desert Fox Sombrero Butte Co.;
- d) Mr. Michael Smith, Executive Vice President, retired as an officer effective September 1, 2013. Mr. Smith is committed to remain an active member of the Board of Directors.
- e) Mr. Cam Grundstrom, Vice President - Operations, and Mr. Shane Uren, Vice President - Environment & Permitting, resigned as officers of Copper Fox effective September 1, 2013. Mr. Grundstrom and Mr. Uren intend to remain involved in Desert Fox on an as-required consultancy basis.

11. Commitments

The Company has a commitment with respect to its office leases in Calgary and Vancouver as follows:

Period	Aug 1, 2013 - Oct 31, 2013	Nov 1, 2013 - Jun 30, 2014
Amount	\$ 40,991	\$ 90,903

The Company is required to pay US \$650,000 under an acquisition agreement which is due on January 9, 2014.