

Unaudited Interim Consolidated Financial Statements of



COPPER FOX METALS INC.

April 30, 2014

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 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

As at April 30, 2014 and October 31, 2013

(Unaudited)

	30-Apr-14	31-Oct-13
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,815,377	\$ 8,800,237
Trade and other receivables	4,476,332	4,473,194
Prepaid expenses and deposits	103,050	261,695
Total current assets	11,394,759	13,535,126
Non-current assets		
Investment (note 6)	759,305	759,305
Exploration & evaluation assets (note 5)	66,155,669	64,423,199
Property and equipment (note 4)	208,121	220,149
Total non-current assets	67,123,095	65,402,653
Total assets	\$ 78,517,854	\$ 78,937,779
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables	\$ 966,739	\$ 436,662
Total current liabilities	966,739	436,662
Non-current liabilities		
Decommissioning liabilities (note 7)	165,263	167,176
Deferred tax liabilities	4,492,277	4,492,277
Total non-current liabilities	4,657,540	4,659,453
Shareholders' equity		
Share capital (note 8)	73,259,655	73,259,655
Share purchase warrants (note 8)	196,623	2,424,210
Contributed surplus	16,221,177	13,993,590
Currency translation reserve	132,653	
Deficit	(16,916,533)	(15,835,791)
Total shareholders' equity	72,893,575	73,841,664
Total liabilities and shareholders' equity	\$ 78,517,854	\$ 78,937,779
Commitment (note 11)		

See accompanying notes to interim consolidated financial statements.

On behalf of the Board:

(Signed) _____
Elmer B. Stewart, Director

(Signed) _____
J. Michael Smith, Director

COPPER FOX METALS INC.

Interim Consolidated Statements of Comprehensive Loss
 Three and Six months ended April 30, 2014 and April 30, 2013
 (Unaudited)

	Three Months Ended		Six Months Ended	
	April 30, 2014	April 30, 2013	April 30, 2014	April 30, 2013
Expenses:				
Administration	\$ 321,035	\$ 370,879	\$ 679,892	\$ 692,994
Depreciation, amortization and accretion	4,811	35,938	15,014	71,805
Professional fees	308,732	254,252	406,444	414,817
Share based compensation	-	36,595	-	43,642
Interest income	(20,608)	-	(20,608)	-
Net loss	613,970	697,664	1,080,742	1,223,258
Foreign currency translation	154,681	-	(132,653)	-
Net loss and comprehensive loss	\$ 768,651	\$ 697,664	\$ 948,089	\$ 1,223,258
Loss per share - basic and diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of shares (note 9)	404,740,044	399,606,816	404,740,044	398,378,464

See accompanying notes to interim consolidated financial statements.

COPPER FOX METALS INC.

Interim Consolidated Statements of Changes in Equity
As at April 30, 2014 and October 31, 2013
(Unaudited)

	Share Capital	Warrants	Contributed Surplus	Currency Translation Reserve	Deficit	Total Shareholder Equity
Balance as at October 31, 2013	\$ 73,259,655	\$ 2,424,210	\$ 13,993,590	\$ -	\$ (15,835,791)	\$ 73,841,664
Warrants expired		(2,227,587)	2,227,587			-
Currency translation adjustment				132,653		132,653
Net loss for the period					(1,080,742)	(1,080,742)
Balance as at April 30, 2014	\$ 73,259,655	\$ 196,623	\$ 16,221,177	\$ 132,653	\$ (16,916,533)	\$ 72,893,575

	Share Capital	Warrants	Contributed Surplus	Currency Translation Reserve	Deficit	Total Shareholder Equity
Balance as at October 31, 2012	\$ 79,484,847	\$ 4,771,977	\$ 11,469,644		\$ (17,222,535)	\$ 78,503,933
Non flow through private placement	4,153,000					4,153,000
Return of capital to shareholders	(11,130,351)					(11,130,351)
Common shares issued in connection with options exercised	1,327,462		(516,213)			811,249
Warrants issued	(575,303)	575,303				-
Warrants expired		(2,923,070)	2,923,070			-
Share based compensation			117,089			117,089
Net loss for the period					1,386,744	1,386,744
Balance as at October 31, 2013	\$ 73,259,655	\$ 2,424,210	\$ 13,993,590	\$ -	\$ (15,835,791)	\$ 73,841,664

See accompanying notes to interim consolidated financial statements.

COPPER FOX METALS INC.

Interim Consolidated Statements of Cash Flow
Six months ended April 30, 2014 and April 30, 2013
(Unaudited)

	Six Months Ended	
	April 30, 2014	April 30, 2013
Cash provided by (used in):		
Operations:		
Net loss for the period	\$ (1,080,742)	\$ (1,223,258)
Depreciation, amortization and accretion	15,014	71,805
Share based compensation	-	43,642
Change in non-cash working capital		
Prepaid expenses	158,646	(279,657)
Other receivables	(3,137)	134,551
Other payables	14,388	144,654
Net cash used in operating activities	(895,831)	(1,108,263)
Financing:		
Shareholder loan	-	30,000
Proceeds from issue of shares and warrants	-	4,318,000
Net cash from financing activities	-	4,348,000
Investing:		
Mineral property expenditures	(1,599,817)	(4,342,917)
Acquisition of property and equipment	(4,899)	(2,057)
Change in non-cash working capital		
Mineral property payables	515,687	188,984
Net cash used in investing activities	(1,089,029)	(4,155,990)
Decrease in cash and cash equivalents during period	(1,984,860)	(916,253)
Cash and cash equivalents, beginning of period	8,800,237	1,457,148
Cash and cash equivalents, end of period	\$ 6,815,377	\$ 540,895

See accompanying notes to interim consolidated financial statements.

COPPER FOX METALS INC.
Notes to the Interim Consolidated Financial Statements
Six months ended April 30, 2014 and 2013
(Unaudited)

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 Exchange ('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 Suite 650, 340 – 12 Avenue SW, Calgary, AB. The consolidated financial statements as at and for the six months ended April 30, 2014 comprise the accounts of the Company and its' wholly owned 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 consolidated financial statements were approved for issue by the Board of Directors on May 21, 2014.

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.

These new and revised accounting standards have been adopted by Copper Fox, and the Company has determined there is no impact on its financial statements.

4. Property and equipment

	Rate	Cost	Accumulated Amortization	Net Book Value April 30, 2014	Net Book Value October 31, 2013
Computer equipment	30%	\$ 82,544	\$ 57,728	\$ 24,816	\$ 24,013
Furniture & equipment	20%	46,887	35,203	11,684	12,982
Buildings	10%	137,250	72,085	65,165	68,595
Heavy equipment	30%	173,332	148,434	24,898	29,292
Asset retirement obligation		137,965	56,407	81,558	85,267
		\$ 577,978	\$ 369,857	\$ 208,121	\$ 220,149

5. Exploration and evaluation assets

	Balance October 31, 2013	Additions	Balance April 30, 2014
Arizona properties			
Van Dyke Project			
Acquisition of property rights	\$ 2,559,781	\$ -	\$ 2,559,781
Technical analysis	451,963	1,401,980	1,853,943
Licenses and permits	48,078	7,617	55,695
Foreign Exchange	21,883	155,425	177,308
Total Van Dyke Project	3,081,705	1,565,022	4,646,727
Sombrero Butte Project			
Acquisition of property rights	701,205	-	701,205
Technical analysis	96,426	41,697	138,123
Licenses and permits	38,511	2,301	40,812
Foreign Exchange	22,777	37,644	60,421
Total Sombrero Butte Project	858,919	81,642	940,561
Total Arizona properties	3,940,624	1,646,664	5,587,288
British Columbia Properties			
Schaft Creek			
Acquisition of property rights	3,053,755	-	3,053,755
Technical analysis	61,750,009	85,806	61,835,815
Licenses and permits	106,623	-	106,623
Sub-total Schaft Creek	64,910,387	85,806	64,996,193
BC mineral exploration tax credit	(4,427,812)	-	(4,427,812)
Total Schaft Creek	60,482,575	85,806	60,568,381
Total mineral properties	\$ 64,423,199	\$ 1,732,470	\$ 66,155,669

	Balance October 31, 2012	Additions	Balance October 31, 2013
Arizona properties			
Van Dyke Project			
Acquisition of property rights	\$ 488,904	\$ 2,070,877	\$ 2,559,781
Technical analysis	13,924	438,039	451,963
Licenses and permits	6,817	41,261	48,078
Foreign currency translation	-	21,883	21,883
Total Van Dyke Project	509,645	2,572,060	3,081,705
Sombrero Butte Project			
Acquisition of property rights	488,904	212,301	701,205
Technical analysis	8,884	87,542	96,426
Licenses and permits	23,302	15,209	38,511
Foreign currency translation	-	22,777	22,777
Total Sombrero Butte Project	521,090	337,829	858,919
Total Arizona properties	1,030,735	2,909,889	3,940,624
British Columbia Properties			
Schaft Creek			
Acquisition of property rights	3,035,888	17,867	3,053,755
Technical analysis	80,945,463	3,871,917	84,817,380
Licenses and permits	106,623	-	106,623
Sub-total SC Zone	84,087,974	3,889,784	87,977,758
Joint venture capital reimbursement	-	(23,067,371)	(23,067,371)
BC mineral exploration tax credit	(4,225,067)	(202,745)	(4,427,812)
Total SC Zone	79,862,907	(19,380,332)	60,482,575
Total mineral properties	\$ 80,893,642	\$ (16,470,443)	\$ 64,423,199

During the year ended October 31, 2013, the Company entered into an agreement with Teck Resources Limited ('Teck') to jointly develop the Schaft Creek project in northwestern British Columbia. The agreement replaces and supersedes the 2002 option and joint venture agreement between Teck and Copper Fox in connection with Schaft Creek and gives Teck a 75% interest and Copper Fox a 25% interest in the Schaft Creek project with Teck as the operator.

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, The Sombrero Butte Copper Project located in the Bunker Hill District, Pinal Co., Arizona and in the Van Dyke Copper Project located in the Globe-Miami District, Gila Co., Arizona

For the six months ended April 30, 2014 the Company has capitalized \$45,586 (2013 - \$160,073) of management and technical services provided by its officers and directors.

At April 30, 2014, the Company has recorded \$4,427,812 (April 30, 2013 - \$4,332,365) for Mineral Exploration Tax Credit claims which have been recorded as a reduction of exploration and evaluation expenditures. This credit is paid in cash and is recorded as a current receivable on the Company's statement of financial position.

6. Investment

Copper Fox holds 29,342 shares of Liard Copper Mines Ltd. ('Liard'), a private company incorporated in British Columbia. 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 joint venture and represent approximately 1.55% of the issued and outstanding shares of Liard.

7. 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 \$165,263 at April 30, 2014 (October 31, 2013 - \$167,176) based on an undiscounted and inflated future liability of \$197,869 (October 31, 2013 - \$199,122). These payments are expected to be made in the next 7.5 years.

The Company's estimated risk free rate of 2.43% (October 31, 2013 - 2.21%) and an inflation rate of 1.27% (October 31, 2013 - 1.27%) were used to calculate the present value of the decommissioning liabilities.

Balance, October 31, 2012	\$ 696,165
JV Adjustment	(493,538)
Revisions	(46,411)
Accretion	10,959
Balance, October 31, 2013	167,175
Revisions	(3,948)
Accretion	2,036
Balance, April 30, 2014	\$ 165,263

8. 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:

Balance, October 31, 2012	397,647,992	\$ 79,484,847
Non Flow through shares issued	5,122,934	4,153,000
Return of capital to shareholders		(11,130,351)
Value ascribed to warrants issued		(575,303)
Options exercised	1,969,118	811,250
Transfer from contributed surplus on option exercise		516,212
Balance, October 31, 2013 & April 30, 2014	404,740,044	\$ 73,259,655

(b) Warrants

Share Purchase Warrants	Number	Amount
Balance, October 31, 2012	14,952,602	\$ 4,771,977
Issued	5,122,934	575,303
Expired	(9,673,913)	(2,923,070)
Balance, October 31, 2013	10,401,623	2,424,210
Expired	(7,043,395)	(2,227,587)
Balance, April 30, 2014	3,358,228	\$ 196,623

As of April 30, 2014, 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	8-Apr-15	0.21	3,358,228	\$ 196,623
			3,358,228	\$ 196,623

(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	(1,969,118)
Expired	(1,040,882)
Balance, October 31, 2013	8,410,000
Expired	(2,585,000)
Balance, April 30, 2014	5,825,000

Options outstanding are as follows:

Exercise Price	Issue Date	Expiry Date	Balance Outstanding	Balance Vested
\$0.10	Jul-09	Jul-14	1,000,000	1,000,000
\$0.15	Oct-09	Sep-14	3,150,000	3,150,000
\$1.69	Mar-11	Mar-16	1,075,000	1,075,000
\$1.04	May-12	Apr-17	600,000	600,000
			5,825,000	5,825,000

9. 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 six months ended April 30, 2014 was 404,740,044 (2013 – 399,606,816) and 404,740,044 (2013 – 398,378,464) 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.

10. Related party transactions

During the three and six months ended April 30, 2014 directors and officers of the Company incurred \$3,750 (2013 - \$205,073) and \$69,750 (2013 - \$517,790) for management and

technical services on behalf of the Company. At April 30, 2014 Nil (2013 – \$44,460) is included in accounts payable. Share based compensation issued to related parties during the six months ended April 30, 2014 was Nil options for a total fair market value of Nil (2013 – 365,000 options, \$67,303).

11. Commitments

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

Period	2014	2015	2016	2017	2018	2019
Amount	\$ 45,353	\$ 108,847	\$ 108,847	\$ 110,196	\$ 114,243	\$ 85,682

The Company is required to pay US \$520,000 under an acquisition agreement. The first payment of US \$130,000 is due on October 15, 2014 and on each October 15 thereafter with the final payment being in 2017.

In the Schaft Creek joint arrangement, the Company is responsible for 25% of pre-production costs beyond \$60 million 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 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.

12. Financial instruments

The Company’s financial instruments consist of cash, trade and other receivables, investment, and trade and other payables and shareholder loan.

Fair value of financial assets and liabilities

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, trade and other receivables, trade and other payables and shareholder loan 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;
- 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 investment in Liard is a level 3 instrument.

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

- 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 the tax office. The maximum exposure to credit risk at April 30, 2014 is \$4,476,332 (October 31, 2013 - \$4,473,194) comprising the BC mining exploration tax credit and GST receivable.

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 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. In the year ended October 31, 2013 the Company began preliminary exploration activities in the United States. As such, the Company is exposed to any fluctuations in the United States dollar to Canadian dollar exchange rate.

- Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has no financial instruments that could otherwise be exposed to interest rate risk.

- 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 and global economic events that dictate the 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. 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.

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.

13. Geographic segments

	April 30, 2014	October 31, 2013
Net income/(loss)		
Canada	\$ (586,921)	\$ 1,366,209
United States	(361,168)	(137,385)
	(948,089)	1,228,824
Capital expenditures		
Canada	85,806	3,889,784
United States	1,646,664	2,854,246
	1,732,470	6,744,030
Total assets		
Canada	72,661,1869	74,886,176
United States	5,856,668	4,019,463
	\$ 78,517,854	\$ 78,905,639

14. Subsequent Event

Subsequent to the quarter, on May 29, 2014 the Company closed a Subscription Agreement with Carmax Mining Corp. ("**Carmax**") (**TSX-V: CMX**), whereby Desert Fox subscribed, via a non-brokered private placement, for 20,000,000 units of Carmax for an aggregate subscription price of \$1,000,000. Units (each a "**Unit**") were subscribed for a price of \$0.05 per Unit and consist of one previously unissued common share of Carmax and one common share purchase warrant ("**Warrant**").

In connection with the private placement, Carmax has granted Desert Fox certain rights, including, but not limited to:

- The right to nominate two members to the Board of Carmax at each annual meeting of Carmax's shareholders;
- The pre-emptive right to participate in any equity financing of Carmax, so as to maintain its *pro rata* percentage shareholding in Carmax; and
- The right to make top-up investments in Carmax, by way of future private placements, so as to maintain its *pro rata* percentage shareholding in Carmax.
-

The aforementioned rights are, however, subject to Desert Fox, Copper Fox and their affiliates maintaining ownership of 20% of Carmax's issued and outstanding common shares.

Each Warrant is exercisable for a period of 24 months from the closing date of the applicable private placement and will entitle the holder, on exercise, to purchase one additional common share of Carmax at a price of \$0.075 per share.