COPPER FOX METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JANUARY 31, 2013

March 27, 2013

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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 financial statements for the three months ended January 31, 2013 and related notes thereto and the audited annual financial statements for the year ended October 31, 2012 and related notes thereto and management discussion and analysis thereon.

Technical information contained in this MD&A has previously been disseminated by way of news release and is 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 14).

The effective date of this MD&A is March 27, 2013. All amounts are in Canadian dollars unless otherwise stated.

Description of Business

Copper Fox is a Canadian-based resource development company listed on the TSX Venture Exchange (TSX-V: CUU) with a corporate office in Calgary, Alberta and an operations office in Vancouver, British Columbia. Its major asset is the Schaft Creek porphyry copper, gold, molybdenum and silver deposit located in northwestern British Columbia, Canada for which a positive Feasibility Study was recently completed and filed on www.sedar.com (see News Releases dated December 21, 2012 and February 4, 2013).

Copper Fox holds title and a 100% working interest in the Schaft Creek project consisting of 56,267.54 hectares (139,040 acres). Included in this total are the "Schedule A" mineral tenures originally conveyed to Copper Fox pursuant to the Teck Option Agreement, which consist of 8,334.34 hectares (20,594 acres). The "Schedule A" mineral tenures are subject to a 3.5% Net Profits Interest held by Royal Gold, Inc., a 30% carried Net Proceeds Interest held by Liard and, together with the additional mineral tenures obtained by Copper Fox within the "Area of Interest" provided for in the Teck Option Agreement, an earn back option held by Teck. On completion of a "Positive Bankable Feasibility Study" (as defined), Copper Fox earns Teck's 78% interest in Liard. Teck's earn back option to acquire either, 20%, 40% or 75%, of Copper Fox's interest in the Schaft Creek project is triggered upon delivery of a "Positive Bankable Feasibility Study" (as defined) to Teck after which they have 120 days to make a decision. Should Teck elect to exercise its option for 75%, Teck is required to fund subsequent property "Expenditures" (as defined) up to a total of 400% of those incurred by Copper Fox ($85.3 million to December 31, 2012) and use its best efforts to arrange for project financing, including the Copper Fox portion. For full details of the Teck earn back option please refer to the Company's website www.copperfoxmetals.com.

The remainder of Copper Fox's registered interests in mineral tenures in British Columbia total 47,933.19 hectares (118,445 acres). These interests have been acquired by Copper Fox through mineral tenure acquisitions and mineral tenure purchase agreements subsequent to Copper Fox entering into the Teck Option Agreement. Certain portions of these registered mineral tenures are subject to inclusion within the Schaft Creek Project pursuant to the terms of the "Area of Interest" provisions of the Teck Option Agreement.

Additionally the Company holds, through its wholly-owned subsidiaries, mineral tenures located in Pinal County, Arizona (the 'Sombrero Butte Copper Project') and in Miami, Arizona (the 'Van Dyke BLM Claims'). The Sombrero Butte copper

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project consists of 60 claims (3,342 acres) located in the Bunker Hill Mining District, 44 miles northeast of Tucson and the 35 Van Dyke BLM Claims (529 acres) located to the west of the Van Dyke copper deposit in Miami.

Highlights for the Three Months Ended January 31, 2013

Feasibility Study

During the quarter ended January 31, 2013, the Company announced the results of a positive Feasibility Study on the Schaft Creek project. The technical sections below relating to a future Schaft Creek mine development are based on this Feasibility Study made public in December 2012, and subsequently filed on www.sedar.com in February 2013.

Cautionary Note to Investors

While the terms "measured (mineral) resource", "indicated (mineral) resource" and "inferred (mineral) resource" are recognized and required by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, investors are cautioned that except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded into mineral reserves. Additionally, investors are cautioned that inferred mineral resources have a high degree of uncertainty as to their existence, as to whether they can be economically or legally mined, or will ever be upgraded to a higher category.

Mineral Reserve

As indicated in the Cautionary Note to Investors above, mineral resources are not mineral reserves. When preparing a Feasibility Study, only the measured and indicated resources in combination with certain input parameters and the Whittle Mine Optimization software are used to generate a mine plan. Invariably, the process of establishing reserves normally leaves a considerable portion of the total measured, indicated and inferred mineral resources outside the pit shell. If determined to be economically viable, at a later time; the remaining resources that were not initially classified as reserves at the time of the Feasibility Study would be included into the reserve category, thus extending mine life.

The Feasibility Study was prepared under the direction of Tetra Tech, Inc. ('Tetra Tech'), an industry-leading international engineering firm. The Feasibility Study confirms the technical and financial viability of constructing and operating a nominal 130,000 ton-per-day copper mining and processing operation at Schaft Creek. Highlights for the Feasibility Study are:

- Nominal daily milling rate of 130,000 tonnes-per-day using open pit mining method;
- Five years pre-productions followed with an initial mine life of 21 years;
- Proven and Probable Mineral Reserves of 940.8 million tonnes containing 5.6 billion pounds ('lbs') of copper, 5.7 million ounces ('oz.') of gold, 363.5 million lbs of molybdenum and 51.7 million oz. of silver on the basis of drill data up to May 23, 2012;
- Life-of-Mine ('LOM') metal production contained in concentrates totals 4.88 billion lbs of copper, 4.21 million oz. of gold, 214.92 million lbs of molybdenum and 25.10 million oz. of silver;
- Initial capital costs are estimated to be $3.25 billion including 11.5% contingencies; sustaining capital of $1.24 billion (including a $200 million provision for construction of BC Hydro's Northwest Transmission Line);
- LOM site operating cash costs are $13.33 per tonne of ore-milled net of capitalized pre-stripping and other

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predevelopment costs;

- LOM copper production costs net of gold, silver and molybdenum credits is $1.11 per pound.

Average annual copper production in concentrates is provided in the table set out below:

Schaft Creek Metal Production					
Description	Unit	Year 1-5 Annual Avg.	Year 1-10 Annual Avg.	LOM Annual Avg.	LOM Total
Copper in Concentrate	million lbs	274	259	232	4,875
Copper in Concentrate	tonnes (000's)	124	118	105	2,211
Gold in Concentrate	oz. (000's)	237	237	201	4,213
Silver in Concentrate	oz. (000's)	1,229	1,280	1,195	25,100
Molybdenum in Concentrate	lbs (000's)	9,281	9,873	10,234	214,914

A summary of Economic Results for the Schaft Creek project is provided in the table set out below:

Summary of Economic Results					
Item	Unit	Base Case	3-Y Ave* Case	Spot Price** Case	Real Options Case
Metal Price					
Copper	US$/lb	3.25	3.63	3.69	3.25
Gold	US$/oz	1,445.00	1,445.00	1,736.00	1,445.00
Silver	US$/oz	27.74	27.74	32.71	27.74
Molybdenum	US$/lb	14.64	14.64	11.34	14.64
Exchange Rate	US:CDN	0.97	0.99	1.02	0.97
Pre-tax Economic Results					
Operating Cash Flow	CDN$ M	10,746	12,065	12,161	11,284
NPV (at 5%)	CDN$ M	1,694	2,348	2,419	2,665
NPV (at 8%)	CDN$ M	513	967	1,024	1,382
NPV (at 10%)	CDN$ M	25	388	437	836
IRR	%	10.13	11.9	12.14	15.4
Payback	Years	6.48	5.81	5.7	4.9
Cash Cost/lb Cu (net of other metal credits)	**CDN$/lb**	**1.15**	**1.19**	**1.12**	**1.15**
Total Cost/lb Cu	**CDN$/lb**	**2.09**	**2.14**	**2.07**	**2.09**
Avg Annual operating Cash Flow***	Millions	371	414	425	640
*between October 15, 2009 - 2012; **On October 15, 2012; ***Years 1-5					

Valuing Long Term Projects NPV vs ROV

The Feasibility Study on the Schaft Creek project used the "net present value" discounted cash flow ('NPV') method and Real Option Value ('ROV') method to assess the economic value of this long term mining project.

The standard valuation method used today in the mining industry is NPV method. Using this method, the discount period starts from the completion date of the Feasibility Study and includes permitting, construction and preproduction periods continuing to the end of mining operations. This method assumes that the input parameters such as metal

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prices, operating costs etc., remain constant over the life of the mine. After recovery of the initial capital costs, the annual cash flow is a primary metric used to value long term projects.

ROV is an alternate method that is now starting to be used by the large copper producing companies to value long term mining projects. This method uses the same input parameters as the NPV method but allows flexibility during the mine life due to changes in metal pricing cycles, operating flexibility and other factors.

Bell Copper

During the year ended October 31, 2012 the Company purchased the Sombrero Butte property and the Van Dyke BLM Claims by paying to Bell the US-dollar equivalent of CDN $1,000,000 in cash and assuming Bell's continuing obligations in respect of the Sombrero Butte Copper Project and Van Dyke BLM Claims. The continuing obligation on the Sombrero Butte property is a US $650,000 payment due on January 9, 2014. On payment of this amount, Copper Fox would hold an undivided 100% interest in the Sombrero Butte property.

The acquisition of Bell's interests in the Van Dyke copper deposit is pending subject to Bell completing the acquisition pursuant to the terms of the purchase and sale and royalty agreement between Bell Resources (Nevada) Corporation, a wholly-owned subsidiary of Bell, and Bennu Properties, LLC, Albert W. Fritz Jr. and Edith Spencer Fritz. For more details please refer to Copper Fox's news release of July 9, 2012.

Land Acquisitions

During the quarter ended January 31, 2013, the Company acquired 4 mineral tenures (487.99 hectares) located around and contiguous to the Schaft Creek project. Consideration paid was $12,000 cash and a 2% net smelter return ('NSR') royalty on the mineral tenures subject to a "Partial NSR Buyout Option". The Partial NSR Buyout Option allows Copper Fox at any time to repurchase half of the NSR for a cash payment of $1.0 million such that the NSR is reduced from 2% to 1%.

Additionally, Copper Fox located (staked) an additional 22 mineral lode claims contiguous to the Sombrero Butte project to protect the extension of the mineralized breccia pipes previously explored by Bell. The Sombrero Butte project now consists of 60 lode claims and covers 3,342 acres.

Environmental Assessment Application

Work completed through January 2013 focused on the BC Environmental Assessment Application (EAA) and the Federal Environmental Impact Statement (EIS). The geochemical assessment of the resource, water management plan and water quality modelling have been incorporated with the mine plan outlined in the December 2012 Feasibility Study. Consultation and engagement with key regulatory agencies and the Tahltan Nation continue in advance of completion of the EAA and EIS.

Stantec Consulting Ltd. ('Stantec') and Copper Fox are currently working with other environmental consultants to complete the various studies and reports required for the EAA. On submission of the EAA the regulatory bodies would have 30 days to review the application before the environmental assessment review period commences.

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BC Hydro
In March 2013, the Company entered into a facilities study agreement (the "Facilities Study Agreement") with the British Columbia Hydro and Power Authority ("BC Hydro") in connection with the proposed electrical power supply to the Company's Schaft Creek project. The Facilities Study Agreement sets forth the terms and conditions for BC Hydro to perform a facilities study to assess the electrical and equipment requirements to connect the Schaft Creek project to the forthcoming BC Hydro Bob Quinn electrical substation.

In order to conduct the Study, Copper Fox will pay a required deposit to BC Hydro. Copper Fox has provided BC Hydro with a system impact study request and BC Hydro has assigned a connection queue position for the Schaft Creek project. This queue position will be used to determine the order of performing the Study, which is expected to be completed on or before May 31, 2014 and will cost in excess of $1 million to complete.

Elmer B. Stewart, MSc. P. Geol., President of Copper Fox, the Company's nominated Qualified Person pursuant to National Instrument 43-101, Standards for Disclosure for Mineral Projects, has reviewed the technical information disclosed in the preceding paragraphs.

Period Overview

Revenues
The Company has no income producing assets and has not reported revenue from operations for either of the quarters ended January 31, 2013 and January 31, 2012. The Company is considered to be in the exploration and development stage.

Expenses
During the three months ended January 31, 2013 Copper Fox incurred expenses of $525,595 compared to $554,254 for the three months ended January 31, 2012. A comparison of the expenses incurred by Copper Fox for the quarters ended January 31, 2013 and January 31, 2012 is set out below:

	2013	2012
Expenses:		
Administration	$ 327,396	$ 316,530
Amortization and accretion	35,867	42,887
Professional fees	155,286	189,854
Stock based compensation	7,046	4,983
Loss before income taxes	$ 525,595	$ 554,254

Loss
Copper Fox incurred a net loss and comprehensive loss for the three months ended January 31, 2013 of $525,595 (2012 - $554,254).

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Loss per Share

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 months ended January 31, 2012 was 397,618,419 (2012 – 381,057,518) 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.

The loss per share for the three months ended January 31, 2013 was ($0.00) (2012 – ($0.00)).

Cash Position

At January 31, 2013, the Company had working capital of $5,042,203 and a deficit of $17,748,130 and had incurred a net loss of $525,595 for the three months ended January 31, 2013. During the quarter ended January 31, 2013 the Company received $1,665,000 in proceeds on private placements and the exercise of options.

Total Assets

Total assets of the Company at January 31, 2013 are $91,503,275 (October 31, 2012 - $90,267,920).

Selected Unaudited Quarterly Financial Information

	Net Loss		Net (loss)/income per share - basic and diluted	
2013				
First Quarter	$	(525,595)	$	0.00
2012				
Fourth Quarter	$	(812,324)	$	0.00
Third Quarter	$	(1,328,328)	$	0.00
Second Quarter	$	(514,292)	$	0.00
First Quarter	$	(554,254)	$	0.00
2011				
Fourth Quarter	$	(1,018,883)	$	(0.01)
Third Quarter	$	(504,862)	$	0.00
Second Quarter	$	(2,380,574)	$	(0.01)

The increase in loss in the second quarter of 2011 and the third and fourth quarter of 2012 is due to share based compensation expense which does not affect the cash flow of the Company. The loss increase in the fourth quarter of 2011 is due to increased professional fees, trade shows and travel.

Liquidity and Capital Resources

Copper Fox operates in a capital intensive industry in which the demands for capital to finance exploration and development of its Schaft Creek property as well as corporate overheads generally occur far in advance of the project being put into production and generating cash flow. The financial requirements of Copper Fox related to the potential development of the Schaft Creek project are mitigated to some extent by the obligations of Teck should they exercise

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their earn back right on the Schaft Creek property (readers should refer to 'Description of Business' on page 2).

The Company's working capital was $5,042,203 at January 31, 2013 inclusive of an increase to prepaid expenses and deposits relating to an agreement on the Schaft Creek property and an increase in accounts receivable with respect to a tax credit claimed.

During the quarter ended January 31, 2013, the Company raised a total of $1,665,000 from the completion of a private placement totaling $1,500,000 and 194,118 options were exercised for total proceeds of $165,000. Additional funds will be required to complete the current planned activities and the Company may need to issue additional equity in connection with any development of the project (refer to Teck Earn Back Option).
As of January 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	20-Jul-13	0.34	4,000,000	1,364,199	5,000,000
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
			16,717,308	$ 5,150,657	$ 20,783,327

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

Period	Feb 1, 2013 - Oct 31, 2013	Nov 1, 2013 - Jun 30, 2014
Amount	$ 78,208	$ 18,406

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

The Company is committed to pay $1,000,000 in 2013, $1,000,000 in 2014 and $750,000 in 2015 in connection with an agreement on the Schaft Creek property.

The Company is committed to pay a minimum of $1,050,000 relating to the BC Hydro Facilities Study Agreement.

Related Party Transactions
During the three months ended January 31, 2013 directors and officers of the Company incurred $282,717 (2012 - $177,183) for management and technical services on behalf of the Company. At January 31, 2013 $29,025 (2012 – $28,540) is included in accounts payable. Share based compensation issued to related parties during the three months ended January 31, 2013 was 365,000 options for a total fair market value of $67,303 (2012 – Nil). These options are

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recorded on a graded vesting basis with $4,099 vesting in the three months ended January 31, 2013.

Mineral Property

As of December 31, 2012, the Company has incurred $85.3 million qualifying expenditures ('QE') at Schaft Creek under the terms of the Option Agreement with Teck. Teck has an earn-back right under the terms of the option which is based on the qualifying expenditures incurred by Copper Fox. Should Teck elect to exercise its earn-back option it will be required to solely fund subsequent property expenditures to the extent of 100%, 300% or 400% to earn 20%, 40% or 75% of the Copper Fox interest. Also, in the event Teck elects to earn 75% interest, it is responsible for arranging project financing including that of Copper Fox. A comparison and detail of these expenditures related to the Schaft Creek property for 2013 and 2012 is as follows:

	Expenditures November 1, 2012 to January 31, 2013	Expenditures November 1, 2011 to October 31, 2012
Drilling Program/camp activities	$ 42,497	$ 6,490,133
Environmental Program	410,133	1,191,512
Feasibility Study	515,435	2,768,243
Social License	46,175	99,629
Geology, Engineering, Metallurgy	116,801	785,084
Testing, Assaying, Mapping, Etc.	6,114	857,030
Miscellaneous	81,280	358,281
Capital Compensation	-	206,544
	$ 1,218,435	$ 12,756,456

Expenditures on the Schedule A properties included in the Option Agreement for the three months ended January 31, 2013 were $1,218,435 compared to $3,287,205 for the three months ended January 31, 2012. The decrease is mainly due to a decrease in drilling and feasibility expenditures with an increase in expenditures on the environmental program.

A comparison and detail of expenditures related to the Schaft Creek properties not included in Schedule A of the Option Agreement for 2013 and 2012 is as follows:

	Expenditures November 1, 2012 to January 31, 2013	Expenditures November 1, 2011 to October 31, 2012
Acquisition costs	$ 12,000	$ 92,000
Staking	15,255	55,081
Technical analysis	-	-
	$ 27,255	$ 147,081

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A comparison and detail of expenditures related to the Arizona properties for 2013 and 2012 is as follows:

	Expenditures November 1, 2012 to January 31, 2013	Expenditures November 1, 2011 to October 31, 2012
Acquisition costs	$ 63,433	$ 977,808
Permitting	-	30,119
Technical analysis	22,337	22,809
	$ 85,770	$ 1,030,736

Critical Accounting Estimates

The preparation of financial statements in accordance with IAS 34 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Although these estimates are based on management's expectations for the likely outcome, timing and amounts of events or transactions, actual results could differ from those estimates. Areas requiring the use of management estimates include the determination assumptions used in the determination of the remaining life of property and equipment, estimating future decommissioning liabilities and estimating accrued liabilities.

The following are areas where significant estimations or where measurements are uncertain are as follows:

i) Mineral property and exploration and evaluation assets

The measurement and impairment of mineral properties are based on various judgments and estimates. These include the technical and commercial feasibility of these properties, which incorporates various assumptions for mineral reserves and/or resources, future mineral prices and operating and capital expenditures for the properties.

ii) Taxation

Tax provisions are recognized to the extent that it is probable that there will be future outflow of funds to a taxation authority. Such provisions often require judgment on the treatment of certain taxation matters that may not have been reported to or assessed by the taxation authority at the date of these financial statements. Differences in judgment by the taxation authority could result in changes to actual taxes payable by the Company.

Deferred tax assets are recognized to the extent that certain taxable losses or deferred expenditures will be utilized by the Company to reduce future taxes payable. The amount of deferred tax assets recognized, if any is based on objective evidence that the Company will generate sufficient future taxable income to utilize these deferred assets, as well as the expected future tax rates that will apply to these assets.

Changes to the Company's ability to generate sufficient taxable income or changes to enacted tax rates could result in the recognition of deferred tax assets.

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iii) Stock-based compensation

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options and share purchase warrants granted. This model requires management to estimate the volatility of the Company's future share price, expected lives of stock options and future dividend yields. Consequently, there is significant measurement uncertainty in the stock-based compensation expense reported.

Share Capital
The Company is authorized to issue an unlimited number of common shares of which 399,606,816 were outstanding at January 31, 2013. The following table shows the detailed number of shares, options and warrants outstanding as of January 31, 2013 and changes that have occurred up to the date of this MD&A.

	As of 31-Jan-13	Change in 2013	Issued in 2013	As of 27-Mar-13
Common shares issued and outstanding	399,606,816	-	-	399,606,816
Common shares issuable upon exercise of stock options	10,585,000	-	-	10,585,000
Common shares issuable upon exercise of warrants	16,717,308	-	-	16,717,308
Common shares fully diluted	426,909,124	-	-	426,909,124

Subsequent Events
In February 2013, the Company filed its positive Feasibility Study on the Schaft Creek project on SEDAR at www.sedar.com, and also delivered a copy of the positive Feasibility Study to Teck. See the Company's news release dated February 4, 2013.

In March 2013, the Company announced a non-brokered Private Placement to raise up to $3,000,000 (the "Offering"). The Offering is expected to consist of 3,797,468 Units at a Purchase Price of $0.79 per Unit, for aggregate gross proceeds of $3,000,000. Each Unit consists of one common share 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 5:00 pm on the one year anniversary of closing of the Offering.

In March 2013, the Company entered into a facilities study agreement (the "Facilities Study Agreement") with the British Columbia Hydro and Power Authority ("BC Hydro") in connection with the proposed power supply to the Company's Schaft Creek project. The Facilities Study Agreement sets forth the terms and conditions for BC Hydro to perform a facilities study to assess the requirements to connect the Schaft Creek project to the forthcoming BC Hydro Bob Quinn substation.

In order to conduct the Study, Copper Fox will pay a required deposit to BC Hydro. Copper Fox has provided BC Hydro with a system impact study request and BC Hydro has assigned a connection queue position for the Schaft Creek project. This queue position will be used to determine the order of performing the Study, which is expected to be completed on or before May 31, 2014 and will cost in excess of $1 million to complete.

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Cautionary Note Regarding Forward-Looking Information

This Management's Discussion and Analysis (MD&A) contains "forward-looking information" within the meaning of the Canadian securities laws. Forward-looking information is generally identifiable by use of the words "believes," "may," "plans," "will," "anticipates," "intends," "budgets", "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-looking information in this MD&A includes statements about the results of a positive Feasibility Study for the Schaft Creek project; the technical and financial viability of a 130,000 tonne-per-day copper mining and processing operation at Schaft Creek; economic potential of the Schaft Creek mineral deposit; the existence and size of the mineral deposit at Schaft Creek; recommended future diamond drilling programs; potential upgrade of inferred resource currently treated as waste to either measured or indicated mineral resources; the productive mine life of the Schaft Creek project; average annual copper production in concentrates; initial and sustaining capital costs; LOM site operating cash costs and copper production costs; potential expansion and development of the project; opportunities to lower operating and capital costs and increase capital revenue; the length and scope of work for the pre-production period; additional metallurgical testwork to pursue opportunities to increase metal recoveries and reduce processing costs; use of new floatation technology which could ultimately reduce construction and capital costs while at the same time reducing operating costs; timing and amount of estimated future production; a Province of British Columbia Environmental Assessment Application and a Federal Environmental Impact Statement; a British Columbia Environmental Assessment Certificate and Federal environmental approvals; the construction of the NTL and timing thereof; discussions with BC Hydro on the terms and conditions surrounding participation and purchasing of electrical power from the NTL; the development schedule for the project; additional exploration to the east and north of the Paramount zone and north of the Liard zone; the process and expectations for metal recovery; estimated metal production over the life of the mine; estimated LOM average metal content, impurity element levels and, as applicable, moisture content; design, construction and capacity of a tailings storage facility; estimated capital costs; life of mine copper production total and cash costs per produced pound; projected future metal prices; the delivery of the Positive Bankable Feasibility Study and Feasibility Notice to Teck; the commencement of the 120 day period for which Teck may exercise its Back-in Right under the Teck Option Agreement; the aggregate incurred Expenditures; the Option to acquire the Indirect Holdings in Liard Copper Mines; the activity related to the Schaft Creek project during the 120 day period; establishment of work programs; the quantum and quality of porphyry style copper-gold-silver-molybdenum deposits at the Schaft Creek property; the potential to find additional porphyry style copper deposits within the Schaft Creek property; the acquisition of Bell's Sombrero Butte property in Arizona and the pending acquisition of Bell's Van Dyke property in Arizona; ongoing obligations of Copper Fox in connection with the Van Dyke and Sombrero Butte acquisitions; expected capital requirements to continue planned activities; expected sources and the adequacy of required capital resources; the timing and scope of expected diamond drilling; potential existence and size of mineralization within the Schaft Creek project; estimated timing and amounts of future expenditures and "earn-back" options; geological interpretations and potential mineral recovery processes. Information concerning measured mineral resources, indicated mineral resources and inferred mineral resources also may be deemed to be forward-looking information in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined.

In connection with the forward-looking information contained in this MD&A, Copper Fox has made numerous assumptions, regarding, among other things: the economic models for the Schaft Creek project, including the NPV and ROV models; the calculation of estimate capital costs of the project; costs of production; success of mining operations; projected future metal prices; engineering, procurement and construction timing and costs; the timing and obtaining of permitting and approvals; the due delivery of the positive Feasibility Study to Teck pursuant to the Teck Option Agreement; the acceptance by Teck of the positive Feasibility Study as a "Positive Bankable Feasibility Study" as defined in the Teck Option Agreement; the commencement of the 120 day period for Teck to exercise its earn back rights; that Expenditures have been incurred in accordance with the Teck Option Agreement and in Company's expected quantum the potential mineralization in the Schaft Creek deposit; the geological, metallurgical, engineering, financial and economic advice that Copper Fox has received is reliable, and is based upon practices and methodologies which are consistent with industry standards; and the continued financing of Copper Fox's operations. While Copper Fox considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies. Additionally, there are known and unknown risk factors which could cause Copper Fox's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: the results of the positive Feasibility Study may not lead to the development of a mine at Schaft Creek or commercial mining operations; the project development plans and timing for Schaft Creek as outlined in the Feasibility Study may not occur as currently anticipated, or at all; Teck may not accept that the delivery of the positive Feasibility Study constitutes delivery of a "Positive Bankable Feasibility Study" as defined pursuant to the terms of the Teck Option Agreement; the 120 day period that Teck has to exercise its earn back rights may not have commenced; the "Expenditures" may not constitute Expenditures as defined in the Teck Option Agreement in the quantum anticipated by Copper Fox, or at all; inferred resources, currently treated as waste, may never be upgraded to a high category of resource; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; uncertainties related to the estimated mine life and potential extension thereof; the possibility of delays and cost overruns in engineering, procurement and construction of the project and uncertainty of meeting anticipated project milestones; the Environmental Assessment Application and Federal Environmental

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Impact Statement may not be completed timely manner, or at all, or provincial or federal environmental approvals may not be obtained in a timely manner, or at all; the possibility that future obligations with respect to the Van Dyke and Sombrero Butte properties may not be met on a timely basis, or at all; Copper Fox may not proceed or continue with activity on the Schaft Creek project as currently planned; additional metallurgical testwork may not be completed, nor result in increased metal recoveries; further exploration at Schaft Creek may not occur as currently anticipated, or at all; the actual mineralization in the Schaft Creek deposit may not be as favourable as suggested; another deposit may never be discovered on Copper Fox's property, or contain anticipated mineralization, or mineralization of any significance at all; the possibility that future drilling on the Schaft Creek project may not occur on a timely basis, or at all; fluctuations in metal prices and currency exchange rates; conditions in the financial markets and overall economy may continue to deteriorate; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of the metallurgical testwork; the uncertainty of the estimates of capital and operating costs, recovery rates, and estimated economic return; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals.

A more complete discussion of the risks and uncertainties facing Copper Fox is disclosed in Copper Fox's continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com. All forward-looking information herein is qualified in its entirety by this cautionary statement, and Copper Fox disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.