



Unaudited Interim Consolidated Financial Statements

For the Three and Nine Months Ended July 31, 2019 and 2018

(Expressed in Canadian Dollars)

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 July 31, 2019 and October 31, 2018
(*Expressed in Canadian Dollars*)

	July 31, 2019	October 31, 2018
Assets		
<i>Current Assets</i>		
Cash	\$ 769,075	\$ 938,311
Amounts receivable	48,380	18,430
Total Current Assets	817,455	956,741
<i>Non-Current Assets</i>		
Deposits	11,826	223,809
Investments (Note 4)	112,649	112,233
Investment in associate (Note 4)	790,656	-
Exploration and evaluation assets (Note 5)	74,420,252	80,733,217
Property and equipment (Note 6)	62,541	84,893
Total Assets	\$ 76,215,379	\$ 82,110,893
Liabilities and Shareholders' Equity		
<i>Current Liabilities</i>		
Accounts payable and accrued liabilities	\$ 11,896	\$ 233,661
Flow-through premium liabilities	-	43,484
Total Current Liabilities	11,896	277,145
<i>Non-Current Liabilities</i>		
Decommissioning liability (Note 7)	178,033	419,665
Deferred tax liabilities	1,659,415	1,659,415
Total Liabilities	1,849,344	2,356,225
<i>Shareholders' Equity</i>		
Share capital (Note 8)	78,661,974	77,613,179
Share purchase warrants (Note 8)	1,541,073	1,238,412
Accumulated other comprehensive income	1,847,019	2,113,893
Contributed surplus	15,823,771	15,823,771
Deficit	(23,507,802)	(21,183,754)
Total Shareholders' Equity of Parent	74,366,035	75,605,501
Non-controlling interest (Note 9)	-	4,149,167
Total Shareholders' Equity	74,366,035	79,754,668
Total Liabilities and Shareholders' Equity	\$ 76,215,379	\$ 82,110,893
Reporting entity and nature of operations (Note 1)		
Commitments (Note 11)		

Approved on behalf of the Board of Directors on September 5, 2019

"J. Michael Smith"

J. Michael Smith, Director

"Elmer B. Stewart"

Elmer B. Stewart, Director

See Accompanying Notes to the Unaudited Interim Consolidated Financial Statements.

COPPER FOX METALS INC.

Interim Consolidated Statements of Loss and Comprehensive Loss *(Unaudited)*

Three and Nine Months Ended July 31, 2019 and July 31, 2018

(Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018
Expenses				
Administration	\$ 211,419	\$ 549,634	\$ 671,120	\$ 1,282,613
Depreciation, amortization and accretion	4,836	5,082	16,520	16,712
Impairment of mineral property (Note 5)	-	-	5,536,746	-
Professional fees	43,742	66,840	38,774	85,575
Interest and other (income)/loss	10,255	(1,115)	(824,317)	(64,075)
Net Loss	\$ 270,252	\$ 620,441	\$ 5,438,843	\$ 1,320,825
Other Comprehensive Items				
Foreign currency translation (gain)/loss	393,273	(163,702)	55,815	(104,493)
Comprehensive Loss	\$ 663,525	\$ 456,739	\$ 5,494,658	\$ 1,216,333
<i>Net Loss Attributable to</i>				
Common shareholders	\$ 270,252	\$ 448,589	\$ 1,200,060	\$ 938,099
Non-controlling interest	-	171,851	4,238,783	382,726
Attributable Net Loss	\$ 270,252	\$ 620,441	\$ 5,438,843	\$ 1,320,825
<i>Total Comprehensive Loss Attributable to</i>				
Common shareholders	\$ 663,525	\$ 284,888	\$ 1,255,875	\$ 833,606
Non-controlling interest	-	171,851	4,238,783	382,726
Attributable Comprehensive Loss	\$ 663,525	\$ 456,739	\$ 5,494,658	\$ 1,216,333
Loss per share, basic and diluted	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.00
Weighted average number of shares	461,274,160	442,588,856	449,089,851	438,870,270

See Accompanying Notes to the Unaudited Interim Consolidated Financial Statements.

COPPER FOX METALS INC.
Interim Consolidated Statements of Changes in Equity *(Unaudited)*
Nine Months Ended July 31, 2019 and Year Ended October 31, 2018
(Expressed in Canadian Dollars)

	Share Capital	Share Purchase Warrants	AOCI	Contributed Surplus	Deficit	Total Shareholders' Equity of Parent	Non-Controlling Interest	Total Shareholders' Equity
<i>Balance as at October 31, 2018</i>	\$ 77,613,179	\$ 1,238,412	\$ 2,113,893	\$ 15,823,771	\$ (21,183,754)	\$ 75,605,501	\$ 4,149,167	\$ 79,754,668
Shares issued for cash	1,337,056	-	-	-	-	1,337,056	-	1,337,056
Warrants granted	(122,199)	122,199	-	-	-	-	-	-
Warrants extended	(180,462)	180,462	-	-	-	-	-	-
Warrants exercised	14,400	-	-	-	-	14,400	-	14,400
Currency translation adjustment	-	-	(266,874)	-	(550,274)	(817,148)	-	(817,148)
Deconsolidation of NCI	-	-	-	-	(1,364,370)	(1,364,370)	89,616	(1,274,754)
Gain on loss of control of subsidiary	-	-	-	-	790,656	790,656	-	790,656
Net loss for the period	-	-	-	-	(1,200,060)	(1,200,060)	(4,238,783)	(5,438,843)
Balance as at July 31, 2019	\$ 78,661,974	\$ 1,541,073	\$ 1,847,019	\$ 15,823,771	\$ (23,507,802)	\$ 74,366,035	\$ -	\$ 74,366,035

See Accompanying Notes to the Unaudited Interim Consolidated Financial Statements.

COPPER FOX METALS INC.
Interim Consolidated Statements of Changes in Equity *(Unaudited)*
Nine Months Ended July 31, 2019 and Year Ended October 31, 2018
(Expressed in Canadian Dollars)

	Share Capital	Share Purchase Warrants	AOCI	Contributed Surplus	Deficit	Total Shareholders' Equity of Parent	Non-Controlling Interest	Total Shareholders' Equity
<i>Balance as at October 31, 2017</i>	\$ 76,583,300	\$ 1,095,212	\$ 1,905,035	\$ 15,823,771	\$ (20,065,134)	\$ 75,342,184	\$ 2,053,875	\$ 77,396,059
Shares issued for cash	1,173,079	-	-	-	-	1,173,079	-	1,173,079
Warrants granted	(143,200)	143,200	-	-	-	-	-	-
Currency translation adjustment	-	-	208,858	-	-	208,858	-	208,858
Dilution of District	-	-	-	-	(155,506)	(155,506)	2,500,306	2,344,800
Net loss for the year	-	-	-	-	(963,114)	(963,114)	(405,014)	(1,368,128)
Balance as at October 31, 2018	\$ 77,613,179	\$ 1,238,412	\$ 2,113,893	\$ 15,823,771	\$ (21,183,754)	\$ 75,605,501	\$4,149,167	\$ 79,754,668

See Accompanying Notes to the Unaudited Interim Consolidated Financial Statements.

COPPER FOX METALS INC.

Interim Consolidated Statements of Cash Flows (*Unaudited*)

Nine Months Ended July 31, 2019 and July 31, 2018

(Expressed in Canadian Dollars)

	Nine Months Ended	
	July 31, 2019	July 31, 2018
<u>Operations</u>		
Net loss	\$ (5,438,843)	\$ (1,320,825)
<i>Items not affecting cash</i>		
Depreciation, amortization and accretion	16,520	16,712
Flow-through premium income	(32,679)	-
Gain on loss of control of subsidiary	(830,392)	-
Impairment of mineral property	5,536,746	-
Loss on investment in associate	39,736	-
<i>Changes in non-cash working capital</i>		
Accounts payable	(4,962)	(94,230)
Accounts receivable	1,697	206,171
Prepaid expenses	-	58,750
Cash Used in Operating Activities	(712,177)	(1,133,422)
<u>Investing</u>		
Net proceeds from sale of investments	-	30,558
Mineral property expenditures	(427,946)	(1,006,137)
Reclamation deposit	-	(32,000)
Cash Used in Investing Activities	(427,946)	(1,007,579)
<u>Financing</u>		
Net proceeds from issuance of shares – Copper Fox	1,337,056	1,187,500
Net proceeds from exercising of warrants – Copper Fox	14,400	-
Net proceeds from issuance of shares – District Copper	-	2,389,557
Cash Provided by Financing Activities	1,351,456	3,577,057
Increase in cash during the period	211,333	1,436,056
Translation effect of foreign currency	(7,135)	(7,721)
Cash, beginning of year	564,877	286,195
Cash, End of Period	\$ 769,075	\$ 1,714,530

See Accompanying Notes to the Unaudited Interim Consolidated Financial Statements.

COPPER FOX METALS INC.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

1. Reporting Entity and Nature of Operations

Copper Fox Metals Inc. ("**Copper Fox**" or the "**Company**") was incorporated on February 27, 2004 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 maintains its head office at 340 – 12 Avenue SW, Suite 650, Calgary, Alberta. These annual audited consolidated financial statements include the accounts of the Company and the accounts of its subsidiaries. Copper Fox's subsidiaries include:

- 100% ownership of Desert Fox Copper Inc.
 - 100% ownership of Desert Fox Minerals Co.
 - 100% ownership of Desert Fox Sombrero Butte Co.
 - 100% ownership of Desert Fox Van Dyke Co.

- 100% ownership of Northern Fox Copper Inc.
 - 24.43% ownership of District Copper Corp., which is equity accounted for (Note 4).

2. Basis of Presentation and Significant Accounting Policies

These interim unaudited 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, 2018. These unaudited interim consolidated financial statements do not include all of the information required for reporting in the annual financial statements.

When a company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value. Copper Fox lost control over District Copper in Q2 2019 (Note 4).

These interim unaudited consolidated financial statements were approved for issue by the Board of Directors ("**Board**") on September 5, 2019.

3. Standards Issued but Not Yet Effective

The IASB issued a new and revised accounting standard that is not yet effective.

COPPER FOX METALS INC.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

IFRS 16 - Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees: leases of 'low-value' assets (i.e., personal computers); and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (i.e., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. The Company plans to continue to assess the potential effect of IFRS 16 on its consolidated financial statements.

4. Investments and Investment in Associate

Investments

As at July 31, 2019, Copper Fox had 83,200 Bell shares remaining, which were trading at \$0.07 per share.

Copper Fox directly owns 29,342 shares of Liard Copper Mines Ltd. ("**Liard**"), a private company incorporated in British Columbia, which represents approximately 1.55% of the issued and outstanding shares of Liard. These shares were originally recorded at a cost value of \$759,305 upon acquisition in two separate 2011 transactions.

During the year ended October 31, 2016, pursuant to a purchase of Liard shares by the Schaft Creek Joint Venture ("**SCJV**"), the Company determined that the value of the Liard shares purchased in 2011 were impaired by \$652,480 and were subsequently written down to the Fair Market Value ("**FMV**") carrying cost of \$106,825, which was referenced to a private sale of Liard shares in 2016 (Level 3). There were no similar transactions in 2017 - 2019, so the Company determined that the 2016 private sale is the best reference of the FMV of the Liard shares as of July 31, 2019.

COPPER FOX METALS INC.*Notes to the Interim Consolidated Financial Statements (Unaudited)***Three and Nine Months Ended July 31, 2019 and 2018** (Expressed in Canadian Dollars)

Copper Fox indirectly owns an additional 21.35% of the Liard shares through its SCJV with Teck Resources Limited (“**Teck**”). As these Liard shares are held within a trust account that the Company does not control, the 21.35% ownership of Liard is not reflected in the table below.

Liard holds a 30% Net Proceeds Interest in the Schaft Creek project, subject to certain terms and conditions.

The FMV of all the investments are as follows:

Investments	Fair Market Value October 31, 2018	Fair Market Value July 31, 2019
Bell Copper Corp.	\$ 5,408	\$ 5,824
Liard Copper Mines Ltd.	106,825	106,825
Total	\$ 112,233	\$ 112,649

Investment in Associate

On February 8, 2019, District Copper issued 52,000,000 shares for the purchase of the Stony Lake property as well as a private placement, both of which Copper Fox did not participate in. Copper Fox’s ownership percentage of District Copper was diluted from 39.51% to 24.43%, which lead to a loss of control and deconsolidation of District Copper from Copper Fox’s financial statements. Copper Fox still retains significant influence over District, resulting in District Copper being recorded on Copper Fox’s financial statements as an investment in associate.

The calculation for investment in associate is as follows:

Description	Amount
Carrying value of District’s assets as at February 8, 2019	\$ 3,399,125
Copper Fox’s ownership percentage as at February 8, 2019	24.43%
Investment in Associate as at February 8, 2019	\$ 830,392

Description	Amount
District’s net loss from February 9 – July 31, 2019	\$ 162,654
Copper Fox’s ownership percentage as at July 31, 2019	24.43%
Loss on Investment in Associate From February 9 - July 31, 2019	\$ 39,736

Description	Amount
Investment in associate as at February 8, 2019	\$ 830,392
Loss on investment in associate from February 9 - July 31, 2019	(39,736)
Investment in Associate as at July 31, 2019	\$ 790,656

COPPER FOX METALS INC.*Notes to the Interim Consolidated Financial Statements (Unaudited)***Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)****5. Exploration and Evaluation Assets**

	Balance October 31, 2018	Additions	Balance July 31, 2019
<u>Arizona Properties</u>			
<i>Van Dyke Project</i>			
Acquisition of property rights	\$ 2,585,093	\$ -	\$ 2,585,093
Technical analysis	5,820,955	265,629	6,806,584
Licenses and permits	56,029	-	56,029
Foreign exchange	1,534,765	(44,295)	1,490,470
Total Van Dyke Project	9,996,842	221,334	10,218,176
<i>Sombrero Butte Project</i>			
Acquisition of property rights	\$ 899,279	\$ -	\$ 899,279
Technical analysis	802,238	26,612	828,850
Licenses and permits	64,466	-	64,466
Foreign exchange	300,022	2,541	302,563
Total Sombrero Butte Project	2,066,005	29,153	2,095,158
<i>Mineral Mountain Project</i>			
Technical analysis	\$ 480,091	\$ 121,426	\$ 601,517
Foreign exchange	863	(812)	51
Total Mineral Mountain Project	480,954	120,614	601,568
Total Arizona Properties	\$ 12,543,801	\$ 371,101	\$ 12,914,902
<i>Schaft Creek Project</i>			
Acquisition of property rights	\$ 3,053,755	\$ -	\$ 3,053,755
Technical analysis	61,906,198	14,279	61,920,477
Licenses and permits	106,623	-	106,623
BC Mineral Exploration Tax Credit	(3,575,505)	-	(3,575,505)
Total Schaft Creek Project	61,491,071	14,279	61,505,350
Total Mineral Properties	\$ 74,034,872	\$ 385,380	\$ 74,420,252

As of February 8, 2019, the Eaglehead property is no longer recorded in the exploration and evaluation table as a result of District Copper being deconsolidated from Copper Fox's financial statements.

	Balance October 31, 2017	Additions	Balance October 31, 2018
<u>Arizona Properties</u>			
<i>Van Dyke Project</i>			
Acquisition of property rights	\$ 2,585,093	\$ -	\$ 2,585,093
Technical analysis	5,787,832	33,123	5,820,955
Licenses and permits	56,029	-	56,029
Foreign exchange	1,364,649	170,116	1,534,765
Total Van Dyke Project	9,793,603	203,239	9,996,842
<i>Sombrero Butte Project</i>			
Acquisition of property rights	\$ 847,819	\$ 51,460	\$ 899,279
Technical analysis	716,988	32,898	749,886

COPPER FOX METALS INC.*Notes to the Interim Consolidated Financial Statements (Unaudited)***Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)**

Licenses and permits	116,818	-	116,818
Foreign exchange	263,323	36,699	300,022
Total Sombrero Butte Project	1,944,948	121,057	2,066,005
<i>Mineral Mountain Project</i>			
Technical analysis	\$ 355,384	\$ 124,706	\$ 480,091
Foreign exchange	(7,901)	8,764	863
Total Mineral Mountain Project	347,483	133,470	480,954
Total Arizona Properties	\$ 12,086,034	\$ 457,766	\$ 12,543,801
British Columbia Properties:			
<i>Schaft Creek</i>			
Acquisition of property rights	\$ 3,053,755	\$ -	\$ 3,053,755
Technical analysis	61,884,978	21,220	61,906,198
Licenses and permits	106,623	-	106,623
Sub-Total Schaft Creek	65,045,356	21,220	65,066,576
BC Mineral Exploration Tax Credit	(3,575,505)	-	(3,575,505)
Total Schaft Creek	61,469,851	21,220	61,491,071
<i>Eaglehead</i>			
Property acquisition	-	639,000	639,000
Technical analysis	5,304,123	849,204	6,153,327
BC Mineral Exploration Tax Credit	(93,981)	-	(93,981)
Total Eaglehead	5,210,142	1,488,204	6,698,346
Total British Columbia Properties	66,679,993	1,509,424	68,189,417
Total Mineral Properties	\$ 78,766,027	\$ 1,967,190	\$ 80,733,217

Schaft Creek Project

Copper Fox's primary asset is a 25% direct and indirect working interest in the Schaft Creek Joint Venture ("SCJV"). The SCJV holds two main assets: i) the Schaft Creek copper-gold-molybdenum-silver project located in northwestern British Columbia and ii) an 85.41% equity interest in the Liard Copper Mines Ltd. Liard holds a 30% Net Proceeds Interest in the Schaft Creek project subject to certain terms and conditions. Royal Gold holds a 3.5% Net Profits Interest in certain mineral claims.

Teck is the operator of the SCJV and is responsible for, in addition to other obligations, funding the first \$60 million in pre-production expenditures at Schaft Creek. After the first \$60 million has been funded by Teck, the costs will be split based on the ownership percentage. As of July 31, 2019, Teck has funded approximately \$21 million towards the Schaft Creek project since mid-2013 (Note 11).

Van Dyke Project

In 2012, Copper Fox acquired 100% of Bell's interest in the Van Dyke copper project located in Miami, Arizona. Acquisition costs were \$500,000 in cash to Bell, \$1,499,400 (US \$1,500,000) to the Vendors (owners of the Van Dyke project) and assumption of obligations in respect of the Van Dyke project, subject to certain

COPPER FOX METALS INC.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

amended terms and conditions. The Vendors retained a 2.5% Net Smelter Return (“NSR”) production royalty from the Van Dyke deposit. As of July 31, 2019, Copper Fox has incurred \$10,218,175 (US \$7,825,672) in expenditures, which includes the acquisition and exploration costs as well as completion of the Preliminary Economic Assessment (“PEA”).

Sombrero Butte Project

In 2012, Copper Fox acquired the rights, provided all option payments are made when due, to 100% of Bell’s Sombrero Butte property located in the Bunker Hill Mining District, 44 miles northeast of Tucson, Arizona.

Acquisition costs were \$500,000 in cash and an assumption of Bell’s remaining option obligation on the property of \$599,760 (US \$600,000). In 2016, Copper Fox re-negotiated the continuing obligation on the property to a US \$40,000 annual payment. As at July 31, 2019 the option obligation outstanding is US \$120,000. Upon completion of these annual payments, Copper Fox will hold an undivided 100% interest in the Sombrero Butte property. As of July 31, 2019, Copper Fox has incurred \$2,095,158 (US \$1,594,222) in expenditures, which includes the acquisition and exploration costs.

Mineral Mountain Project

Mineral Mountain is located in the same structural trend that hosts the Globe-Miami, Resolution, Florence and Casa Grande copper deposits in Arizona and is 100% wholly owned by Copper Fox. The property is located between the Florence copper deposit and the Resolution copper deposit and is underlain by Precambrian age Pinal Schist, diabase and granite that has been intruded by Laramide age quartz monzonite and granodiorite.

As of July 31, 2019 the Company has incurred \$601,568 (US \$457,737) in expenditures over the life of the project, by completing a regional geochemical assessment, locating claims, annual filing fees, acquiring an Arizona exploration permit and funding exploration activities.

Eaglehead Project - Impairment of Mineral Property

District Copper determined there were indicators of potential impairment for its Eaglehead property, including that District had no near term plans to conduct further exploration on the property as well as the Company’s decision to focus its efforts away from copper and towards gold exploration. The Company determined the Eaglehead property’s recoverable amount based on the assets fair value less cost of disposal (“FVLCD”). Specifically, the Company looked at recent sales transactions of similar properties in Canada to estimate the FVLCD. The recoverable amount was estimated to be \$1,215,000, resulting in an impairment of \$10,961,850, of which \$5,536,746 was recognized in Copper Fox’s statements before District was deconsolidated on February 8, 2019.

COPPER FOX METALS INC.*Notes to the Interim Consolidated Financial Statements (Unaudited)***Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)****6. Property and Equipment**

	Cost	Accumulated Amortization	Net Book Value July 31, 2019	Net Book Value October 31, 2018
Asset retirement	\$ 134,903	\$ 121,062	\$ 13,841	\$ 30,306
Buildings	137,250	99,783	37,467	40,505
Computer equipment	82,544	78,742	3,802	4,906
Furniture & equipment	46,887	43,271	3,616	4,254
Heavy equipment	173,332	169,517	3,815	4,922
Total	\$ 574,916	\$ 512,375	\$ 62,541	\$ 84,893

	Cost	Accumulated Amortization	Net Book Value October 31, 2018	Net Book Value October 31, 2017
Asset retirement	\$ 143,550	\$ 113,244	\$ 30,306	\$ 47,239
Buildings	137,250	96,745	40,505	45,005
Computer equipment	82,544	77,638	4,906	7,008
Furniture & equipment	46,887	42,633	4,254	5,318
Heavy equipment	173,332	168,409	4,922	7,033
Total	\$ 583,563	\$ 498,670	\$ 84,893	\$ 111,603

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 Liability

The Company's decommissioning liability relates to its share of reclamation and closure costs for the Schaft Creek property. The total decommissioning liability is based on the Company's proportion of estimated future costs necessary to reclaim the property and facilities.

The Company estimated the net present value of its share of the decommissioning liability of Schaft Creek to be \$178,033 as at July 31, 2019 (October 31, 2018 - \$184,338) based on an undiscounted and inflated future liability of \$186,283 (October 31, 2018 - \$193,198).

The Company's estimated risk-free rate of 1.54% (October 31, 2018 – 2.41%) and inflation rate of 2.03% (October 31, 2018 – 1.60%) were used to calculate the present value of the decommissioning liabilities.

	Amount
<i>Opening Balance, November 1, 2018</i>	\$ 184,338
<u>Additions</u>	
Accretion	2,342
Revisions	(8,647)
Balance, July 31, 2019	\$ 178,033

COPPER FOX METALS INC.*Notes to the Interim Consolidated Financial Statements (Unaudited)***Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)**

	Copper Fox	District Copper	Amount
<i>Opening Balance, November 1, 2017</i>	\$ 188,252	\$ 36,123	\$ 224,375
<u>Additions</u>			
Accretion – Copper Fox	2,633	-	2,633
Accretion – District Copper	-	92	92
Revisions – Copper Fox	(6,547)	-	(6,547)
Revisions – District Copper	-	199,112	199,112
Balance, October 31, 2018	\$ 184,338	\$ 235,327	\$ 419,665

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 no preferred shares have been issued.

As of July 31, 2019, the issued and outstanding shares are as follows:

	Number of Shares	Amount
<i>Opening Balance, November 1, 2018</i>	448,980,160	\$ 77,613,179
<u>Additions</u>		
February 25, 2019 warrants exercised	120,000	14,400
April 29, 2019 private placement, net	12,174,000	1,337,056
April 29, 2019 warrants granted	-	(122,199)
June 30 and July 27, 2019 warrants extended	-	(180,462)
Balance, July 31, 2019	461,274,160	\$ 78,661,974

	Number of Shares	Amount
<i>Opening Balance, November 1, 2017</i>	436,980,160	\$ 76,583,300
<u>Additions</u>		
June 18, 2018 private placement, net	12,000,000	1,173,079
June 18, 2018 warrants granted	-	(143,200)
Balance, October 31, 2018	448,980,160	\$ 77,613,179

During the nine months ended July 31, 2019, the Company incurred the following shares issuances:

On April 29, 2019, the Company closed a non-brokered private placement, raising aggregate gross proceeds of \$1,339,140 through the sale of 12,174,000 units at a price of \$0.11 per unit. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder to purchase one common share for an exercise price of \$0.13 during the first 12 month period after the closing of the offering and \$0.15 during the second 12 month period after the closing of the offering. In

COPPER FOX METALS INC.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

the event that the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above \$0.20, the expiry date of the warrants will be accelerated to a date that is 30 days after the first date such threshold is met. Shares issuance costs, in the form of legal fees, of \$2,084 were paid in connection with this private placement.

During the year ended October 31, 2018, the Company incurred the following shares issuances:

On June 18, 2018, the Company closed a non-brokered private placement, raising aggregate gross proceeds of \$1,200,000 through the sale of 12,000,000 units at a price of \$0.10 per unit. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder to purchase one common share for an exercise price of \$0.12 during the first 12 month period after the closing of the offering and \$0.15 during the second 12 month period after the closing of the offering. In the event that the 20-day volume weighted average price of the common shares listed on the TSX Venture Exchange is above \$0.20, the expiry date of the warrants will be accelerated to a date that is 30 days after the first date such threshold is met.

Warrants

As of July 31, 2019, the warrants outstanding are as follows:

	Number of Warrants	Amount
<i>Opening Balance, November 1, 2018</i>	25,919,665	\$ 1,238,412
<u>Additions</u>		
February 25, 2019 warrants exercised	(120,000)	-
April 29, 2019 warrants granted	6,087,000	122,199
June 9, 2019 warrants expired	(1,250,000)	-
June 30 and July 27, 2019 warrants extended	-	180,462
Balance, July 31, 2019	30,636,665	\$ 1,541,073

The value of the April 29, 2019 warrants granted were calculated using Black Sholes with an exercise price of \$0.13 in the first year and \$0.15 in the second year, an expected life of two years, a volatility rate of 67.04% and a risk-free rate of 1.56%.

The value of the June 30, 2019 warrant extensions were calculated using Black Sholes with an exercise price of \$0.17, an expected life of one year, a volatility rate of 73.11% and a risk-free rate of 1.52%.

The value of the July 27, 2019 warrant extensions were calculated using Black Sholes with an exercise price of \$0.17, an expected life of one year, a volatility rate of 73.86% and a risk-free rate of 1.54%.

COPPER FOX METALS INC.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

	Number of Warrants	Amount
Opening Balance, November 1, 2017	19,919,665	\$ 1,095,212
<u>Additions</u>		
June 18, 2018 warrants granted	6,000,000	143,200
Balance, October 31, 2018	25,919,665	\$ 1,238,412

The value of the June 18, 2018 warrants were calculated using Black Sholes with an exercise price of \$0.12 in the first year and \$0.15 in the second year, an expected life of two years, a volatility rate of 64.42% and a risk-free rate of 1.87%.

The breakdown of the warrants outstanding is as follows:

Number of Warrants Outstanding	Warrant Exercise Price	Warrants Exercisable as of July 31, 2019	Warrant Expiry Date
5,880,000	\$ 0.15	5,880,000	June 18, 2020
9,503,000	0.17	9,503,000	June 30, 2020
9,166,665	0.17	9,166,665	July 27, 2020
6,087,000	0.13 – 0.15	6,087,000	April 29, 2021
30,636,665		30,636,665	

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

As of July 31, 2019, the Company had no options outstanding.

9. Non-Controlling Interest

As of July 31, 2019, Copper Fox beneficially owned and controlled 33,283,264 of the 136,241,618 issued and outstanding common shares of District Copper, representing a 24.43% ownership of District Copper. Due to the further dilution of ownership in District Copper that occurred in Q2 2019, Copper Fox does not control District Copper and as such, District Copper is no longer consolidated into Copper Fox's financial statements. As of July 31, 2019, non-controlling interest is no longer recorded on Copper Fox's financial statements.

District Copper's prior year summarized financial information is as follows:

COPPER FOX METALS INC.*Notes to the Interim Consolidated Financial Statements (Unaudited)***Three and Nine Months Ended July 31, 2019 and 2018** (Expressed in Canadian Dollars)

	NCI Percentage
District Copper's Ownership Percentage as at October 31, 2018	60.49%

	District Copper Financials As at October 31, 2018
Net Loss	669,555
Total Loss Attributable to Non-Controlling Interest	\$ 405,014
Comprehensive Loss	669,555
Total Comprehensive Loss Attributable to Non-Controlling Interest	\$ 405,014
Current assets	385,840
Non-current assets	6,910,346
Current liabilities	(201,678)
Non-current liabilities	(235,327)
Net Assets	6,859,181
Net Assets Attributable to Non-Controlling Interest	\$ 4,149,167
Cash flows used in operating activities	(779,685)
Cash flows used in investing activities	(674,478)
Cash flows from financing activities	1,755,549
Net Increase in Cash	\$ 301,386

10. Related Party Transactions**Copper Fox**

During the nine months ended July 31, 2019, legal fees of \$45,476 (July 31, 2018 - \$71,106) were paid to Farris, Vaughan, Wills & Murphy LLP ("Farris"). As at July 31, 2019, included in accounts payable to Farris was \$5,128 (October 31, 2018 - \$2,087). One of the partners at Farris' is a member of Copper Fox's Board.

Key Management Compensation

The remuneration of the CEO, CFO, directors and those persons having authority and responsibility for planning, directing and controlling activities of the Company are as follows:

	July 31, 2019	July 31, 2018
Directors fees	\$ 3,000	\$ 14,500
Salaries and consulting fees	244,625	313,667
Total	\$ 247,625	\$ 328,167

COPPER FOX METALS INC.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)

11. Commitments

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

Year Ended	2019	2020	2021	2022	2023	2024
Amount	\$ 19,593	\$60,930	\$60,930	\$60,930	\$62,953	\$62,953

Sombrero Butte

The Company is also committed to pay the balance outstanding of three yearly option payments totalling \$157,704 (US \$120,000) under the Sombrero Butte acquisition agreement. The next payment of \$52,568 (US \$40,000) is due on October 15, 2019 (Note 5).

Schaft Creek Joint Venture

Teck holds a 75% interest and the Company holds a 25% interest in the SCJV, and Teck is the operator of the SCJV. Management of the SCJV is made up of two representatives from Teck and the Company with voting proportional to their equity interests.

Under the SCJV agreement, Teck is required to make three cash milestone payments to the Company: (i) \$20 million upon entering into the agreement (received), (ii) \$20 million upon a Production Decision approving mine construction, and (iii) \$20 million upon completion of construction of mine facilities.

The SCJV agreement provides that Teck and the Company are each responsible for their pro-rata share of project costs in accordance with their interests, except that Teck is solely responsible for the first \$60 million in pre-production costs. If pre-production costs exceed \$60 million, the Company's pro rata share of such costs will be set off against the two remaining cash milestone payments (totaling \$40 million) payable by Teck to the Company. If pre-production costs exhaust the two cash milestone payments, Teck will further assist the Company by providing loans, as necessary, without dilution to the Company's 25% joint venture interest.

Once a production decision has been made, Teck will make an irrevocable offer to the Company:

- (i) to use all reasonable commercial efforts to arrange project equity and debt financing for at least 60% of project capital costs or such portion as Teck determines is commercially available on reasonable terms at the relevant time, and
- (ii) to fund by way of loans to the Company, the Company's pro rata share of project capital costs not covered by project debt financing, if requested by the Company, without dilution to the Company's 25% joint venture interest.

The Company must notify Teck within 60 days after Teck's offer as to whether it accepts Teck's offer or whether it will arrange for its own financing (Note 5).

COPPER FOX METALS INC.*Notes to the Interim Consolidated Financial Statements (Unaudited)***Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)****12. Financial Instruments**

The Company's financial instruments consist of cash, amounts receivables, investments and accounts payables and accrued liabilities.

The Company's financial assets and liabilities are categorized as follows:

	As at July 31, 2019				
	Loans and Receivables	Available For Sale	Other Financial Liabilities	Total Carrying Amount	Total Fair Value
<i>Financial Assets</i>					
Cash	\$ 769,075	\$ -	\$ -	\$ 769,075	\$ 769,075
Amounts receivables	48,380	-	-	48,380	48,380
Investments	-	112,649	-	112,649	112,649
Total Financial Assets	\$ 817,455	\$ 112,649	\$ -	\$ 930,104	\$ 930,104
<i>Financial Liabilities</i>					
A/P and accrued liabilities	\$ -	\$ -	\$ 11,896	\$ 11,896	\$ 11,896
Total Financial Liabilities	\$ -	\$ -	\$ 11,896	\$ 11,896	\$ 11,896

	As at October 31, 2018				
	Loans and Receivables	Available For Sale	Other Financial Liabilities	Total Carrying Amount	Total Fair Value
<i>Financial Assets</i>					
Cash	\$ 938,311	\$ -	\$ -	\$ 938,311	\$ 938,311
Amounts receivables	18,430	-	-	18,430	18,430
Investments	-	112,233	-	112,233	112,233
Total Financial Assets	\$ 956,741	\$ 112,233	\$ -	\$ 1,068,974	\$ 1,068,974
<i>Financial Liabilities</i>					
A/P and accrued liabilities	\$ -	\$ -	\$ 233,661	\$ 233,661	\$ 233,661
Total Financial Liabilities	\$ -	\$ -	\$ 233,661	\$ 233,661	\$ 233,661

Determination of Fair Value

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

- *Level 1* – observable inputs such as quoted prices in active markets. The Company's common share ownership in Bell Resources is a Level 1 instrument (Note 4),
- *Level 2* – inputs, other than the quoted market prices in active markets, which are observable, either directly and or indirectly, and

COPPER FOX METALS INC.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Three and Nine Months Ended July 31, 2019 and 2018 *(Expressed in Canadian Dollars)*

- *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, for all years carried at fair market value is a Level 3 instrument (Note 4).

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 July 31, 2019 is \$48,380 (October 31, 2018 - \$18,430).

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 nine months ended July 31, 2019 the Company was involved with preliminary exploration activities in the United States. As such, the Company is exposed to fluctuations in the United States dollar exchange rates compared to Canadian dollar exchange rates. A 5% strengthening or weakening of the US dollar would have significant impact on the total assets and the net losses of the Company.

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 July 31, 2019, the Company had \$94,064 in US denominated cash balances.

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 July 31, 2019, the Company is exposed only on its cash balances.

COPPER FOX METALS INC.*Notes to the Interim Consolidated Financial Statements (Unaudited)***Three and Nine Months Ended July 31, 2019 and 2018 (Expressed in Canadian Dollars)***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.

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

	Three Months Ended		Nine Months Ended	
	July 31, 2019	July 31, 2018	July 31, 2019	July 31, 2018
<i>Net Loss</i>				
Canada	\$ 263,678	\$ 615,923	\$ 5,420,293	\$ 1,305,148
United States	6,574	4,518	18,550	15,677
Total	\$ 270,252	\$ 620,441	\$ 5,438,843	\$ 1,320,825

	July 31, 2019	October 31, 2018
<i>Current Assets</i>		
Canada	\$ 693,835	\$ 922,096
United States	123,620	34,645
<i>Non-Current Assets</i>		
Canada	\$ 61,822,363	\$ 68,210,336
United States	13,575,561	12,943,816
Total Assets	\$ 76,215,379	\$ 82,110,893