



*Unaudited Interim Condensed Consolidated Financial Statements*

**For the Three Months Ended January 31, 2024**

(Expressed in Canadian Dollars)

(Unaudited)

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## **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 Professional Accountants for a review of interim financial statements by an entity’s auditors.

**COPPER FOX METALS INC.**

Interim Condensed Consolidated Statements of Financial Position (Unaudited)

**As at January 31**

*(Expressed in Canadian Dollars)*

	Note	January 31, 2024	October 31, 2023
<b>Assets</b>			
<i>Current assets:</i>			
Cash and cash equivalents		\$ 934,007	\$ 1,368,852
Trade and other receivables		6,257	13,560
Prepaid expenses and deposits		50,000	-
<b>Total Current Assets</b>		<b>990,264</b>	<b>1,382,412</b>
<i>Non-current assets:</i>			
Investments	4	239,958	306,525
Reclamation bond	5	232,078	228,659
Exploration & evaluation assets	5	81,404,505	81,897,193
Property and equipment	6	38,960	40,731
Right-of-use asset	8	56,811	59,281
<b>Total Assets</b>		<b>\$ 82,962,576</b>	<b>\$ 83,914,801</b>
<b>Liabilities and Shareholders' Equity</b>			
<i>Current liabilities:</i>			
Trade and other payables		\$ 135,010	\$ 178,439
Promissory note - current	7	321,196	321,196
Office lease liability - current	8	14,186	14,186
<b>Total Current Liabilities</b>		<b>470,392</b>	<b>513,821</b>
<i>Non-current liabilities:</i>			
Decommissioning liabilities	9	421,000	421,000
Deferred tax liabilities	13	653,258	653,258
Office lease liability - long term	8	110,059	113,409
<b>Total Liabilities</b>		<b>1,654,709</b>	<b>1,701,488</b>
<i>Shareholders' Equity:</i>			
Share capital	10	88,789,430	88,789,430
Share purchase warrants	10	3,365,339	3,365,339
Accumulated other comprehensive income		2,055,657	2,730,226
Reserves		15,823,771	15,823,771
Deficit		(28,726,330)	(28,495,453)
<b>Total Shareholders' Equity</b>		<b>81,307,867</b>	<b>82,213,313</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>\$ 82,962,576</b>	<b>\$ 83,914,801</b>
Reporting entity and nature of operations (Note 1)			
Commitment and contingent liability (Note 12)			

Approved on behalf of the Board of Directors on March 20, 2024

"J. Michael Smith"

J. Michael Smith, Director

"Elmer B. Stewart"

Elmer B. Stewart, Director

*See Accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.*

**COPPER FOX METALS INC.**  
Interim Condensed Consolidated Statements of Loss and Comprehensive Loss (Unaudited)  
**Three Months Ended January 31**  
*(Expressed in Canadian Dollars)*

	Note	Three months Ended	
		January 31, 2024	January 31, 2023
<u>Expenses:</u>			
Administration	11	\$ 233,309	\$ 220,256
Depreciation, amortization	6, 8	4,241	3,398
Professional fees	10	11,148	56,221
Interest and other income		(17,821)	(285)
<b>Net Loss</b>		<b>230,877</b>	279,590
<u>Other Comprehensive Loss:</u>			
Foreign currency translation gain		624,643	350,002
Fair value adjustment of investment	4	49,925	(66,566)
<b>Loss and Comprehensive Loss</b>		<b>\$ 905,445</b>	\$ 563,026
Loss per share - basic and diluted		\$ 0.00	\$ 0.00
Weighted average number of shares		558,692,213	525,207,833

*See Accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.*

**COPPER FOX METALS INC.**  
Interim Condensed Consolidated Statements of Changes in Equity (Unaudited)  
**Three Months Ended January 31, 2024**  
*(Expressed in Canadian Dollars)*

	Number of Shares	Share Capital	Shares to be Issued	Share Purchase Warrants	AOCI	Reserves	Deficit	Total Shareholders' Equity
<i>Balance as at October 31, 2022</i>	524,545,496	\$ 85,098,203	\$ 200,000	\$ 2,979,913	\$ 2,402,866	\$ 15,823,771	\$ (27,380,941)	\$ 79,123,812
Warrants exercised	1,585,000	142,650	-	-	-	-	-	142,650
Shares to be issued pursuant to warrant exercise	-	-	1,750,000	-	-	-	-	1,750,000
Currency translation adjustment	-	-	-	-	(350,002)	-	-	(350,002)
Fair value adjustment of investment	-	-	-	-	66,566	-	-	66,566
Net loss for the period	-	-	-	-	-	-	(279,590)	(279,590)
<b>Balance as at January 31, 2023</b>	<b>526,130,496</b>	<b>85,240,853</b>	<b>1,950,000</b>	<b>2,979,913</b>	<b>2,119,430</b>	<b>15,823,771</b>	<b>(27,660,531)</b>	<b>80,453,436</b>
Warrants exercised	23,171,667	2,085,450	(200,000)	-	-	-	-	1,885,450
Shares to be issued pursuant to warrant exercise	-	-	(1,750,000)	-	-	-	-	(1,750,000)
Shares issued for cash	9,390,050	1,878,010	-	-	-	-	-	1,878,010
Share issuance cost	-	(29,457)	-	-	-	-	-	(29,457)
Warrants granted	-	(385,426)	-	385,426	-	-	-	-
Currency translation adjustment	-	-	-	-	660,720	-	-	660,720
Fair value adjustment of investment	-	-	-	-	(49,924)	-	-	(49,924)
Net loss for the period	-	-	-	-	-	-	(834,922)	(834,922)
<b>Balance as at October 31, 2023</b>	<b>558,692,213</b>	<b>88,789,430</b>	<b>-</b>	<b>3,365,339</b>	<b>2,730,226</b>	<b>15,823,771</b>	<b>(28,495,453)</b>	<b>82,213,313</b>
Currency translation adjustment	-	-	-	-	(624,644)	-	-	(624,644)
Fair value adjustment of investment	-	-	-	-	(49,925)	-	-	(49,925)
Net loss for the period	-	-	-	-	-	-	(230,877)	(230,877)
<b>Balance as at January 31, 2024</b>	<b>558,692,213</b>	<b>\$ 88,789,430</b>	<b>\$ -</b>	<b>\$ 3,365,339</b>	<b>\$ 2,055,657</b>	<b>\$ 15,823,771</b>	<b>\$ (28,726,330)</b>	<b>\$ 81,307,867</b>

*See Accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.*

**COPPER FOX METALS INC.**  
Interim Condensed Consolidated Statements of Cash Flows (Unaudited)  
**Three Months Ended January 31**  
*(Expressed in Canadian Dollars)*

	Three months Ended	
	January 31, 2024	January 31, 2023
<b>Operations:</b>		
Net Loss	\$ (230,877)	\$ (279,590)
<u>Items not affecting cash and cash equivalents</u>		
Depreciation, amortization	4,241	3,398
Interest expense	4,743	5,207
<u>Changes in non-cash working capital:</u>		
Trade and other receivables	7,303	(28,614)
Trade and other payables	(70,355)	(5,039)
Deposits	(50,000)	-
<b>Cash and Cash Equivalents Used In Operating Activities</b>	<b>(334,945)</b>	<b>(304,638)</b>
<b>Investing:</b>		
Mineral property expenditures	(503,344)	(134,583)
Eaglehead BC METC Refund	163,617	-
Property and equipment	-	(16,858)
<b>Cash and Cash Equivalents Used In Investing Activities</b>	<b>(339,727)</b>	<b>(151,441)</b>
<b>Financing:</b>		
Net proceeds from issuance of shares	-	142,650
Shares to be issued pursuant to warrant exercise	-	1,750,000
Office lease payments	(8,094)	(8,094)
<b>Cash and Cash Equivalents Used In Financing Activities</b>	<b>(8,094)</b>	<b>1,884,556</b>
Change in cash and cash equivalents during the period	(682,766)	1,428,477
Translation effect of foreign currency	247,921	(2,010)
Cash and cash equivalents, beginning of period	1,368,852	132,192
<b>Cash and Cash Equivalents, End of period</b>	<b>\$ 934,007</b>	<b>\$ 1,558,659</b>

Supplemental non-cash investing and financing activities for the three months ended January 31, 2024 and 2023 included:

- Exploration and evaluation in account payable \$26,926 (January 31, 2023 – \$nil)

*See Accompanying Notes to the Unaudited Interim Condensed Consolidated Financial Statements.*

## **COPPER FOX METALS INC.**

*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)*

**Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)**

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### **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** and on the **OTCQX** under the symbol **CPFXF**. To date, the Company has not earned any revenue from these operations and is in the exploration and evaluation stage.

The Company maintains its head office at 340 – 12 Avenue SW, Suite 650, Calgary, Alberta. These consolidated financial statements include the accounts of the Company and the accounts of its subsidiaries. Copper Fox’s subsidiaries include:

- 100% ownership of Desert Fox Copper Inc., which was incorporated under the laws of British Columbia, Canada
  - 100% ownership of Desert Fox Minerals Co., which was incorporated under the laws of Arizona, USA.
    - 100% ownership of Desert Fox Sombrero Butte Co., which was incorporated under the laws of Arizona, USA
    - 100% ownership of Desert Fox Van Dyke Co., which was incorporated under the laws of Arizona, USA
    - 100% ownership of Desert Fox Mineral Mountain Co., which was incorporated under the laws of Arizona, USA
- 100% ownership of Northern Fox Copper Inc., which was incorporated under the laws of British Columbia, Canada

#### **Going Concern**

The recoverability of amounts shown for resource properties and related exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company is currently exploring its mineral properties and managing its investment in the joint venture interest in the Schaft Creek project. During the three months ended January 31, 2024, the Company incurred a net loss of \$230,877 (January 31, 2023 - \$279,590); the Company’s cash position at January 31, 2024 was \$934,007 (October 31, 2023 - \$1,368,852) and its working capital was \$519,872 (October 31, 2023 – \$868,591). Exploration expenditures may need additional funding and management would look to raise the funds through the exercising of warrants. Should management be unable to raise sufficient funds solely through the exercising of warrants, then the Company would conduct a private placement. If management were still unsuccessful in raising the additional funds necessary, they would sell one or more of the Company’s properties.

## **COPPER FOX METALS INC.**

*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)*

**Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)**

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### **1. Reporting Entity and Nature of Operations (continued)**

#### **Going Concern (continued)**

The conditions described above indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Many factors influence the Company's ability to raise funds, and there is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital. These consolidated financial statements do not contain any adjustments to the amounts that may be required should the Company be unable to continue as a going concern. Such adjustments could be material.

### **2. Basis of Presentation and Significant Accounting Policies**

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issuance of common shares or obtaining joint venture or property sale agreements for one or more properties.

#### **Statement of Compliance**

These interim condensed consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

#### **Basis of Preparation**

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for certain financial statements, which are measured at fair value. In addition, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These interim condensed consolidated financial statements do not include all of the information required for full annual financial statements.

These interim condensed consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.



## **COPPER FOX METALS INC.**

*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)*

**Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)**

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### **3. Changes in Accounting Policies**

#### **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for the January 31, 2024 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- Presentation of Financial Statements

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2024. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

- Disclosure of Accounting Policies

The amendments require that an entity disclose its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

### **4. Investments**

#### Liard Copper Mines Ltd.

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**") of \$106,825, which was referenced to a private sale of Liard shares in 2016 (Level 3 of the financial instruments – see Note 15). There were no similar transactions in 2017 - 2024, therefore the Company determined that the 2016 private sale is the best reference of the FMV of the Liard shares as of January 31, 2024. As such, there was no effect on other comprehensive loss for the three months ended January 31, 2024 or the years ended October 31, 2023.

Copper Fox indirectly owns an additional 21.35% of the Liard shares owned by the 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 consolidated financial statements.

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

**COPPER FOX METALS INC.***Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three Months Ended January 31, 2024** *(Expressed in Canadian Dollars)*

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**4. Investments (continued)**District Copper Corporation

Effective November 1, 2021, the Company ceased to have significant influence over District Copper and therefore the Company's 3,328,326 shares of District Copper are measured and presented at the observable market share price as at the date of the statements of financial position. As of January 31, 2024, these District Copper shares were valued at \$149,775 with a fair value adjustment of \$49,925 loss included in other comprehensive loss for the period ended January 31, 2024.

	October 31, 2023	January 31, 2024
Liard	\$ 106,825	\$ 106,825
District Copper	199,700	149,775
<b>Total Investments:</b>	<b>\$ 306,525</b>	<b>\$ 256,600</b>

**COPPER FOX METALS INC.***Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)****5. Exploration and Evaluation Assets**

	Balance October 31, 2023	Additions	Balance January 31, 2024
<i>Arizona Properties:</i>			
<u>Van Dyke Project</u>			
Acquisition of property rights	\$ 2,585,093	\$ -	\$ 2,585,093
Technical analysis	7,540,429	112,389	7,652,818
Licenses and permits	56,029	-	56,029
Foreign exchange	2,074,502	(439,661)	1,634,842
<b>Total Van Dyke Project</b>	<b>12,256,053</b>	<b>(327,272)</b>	<b>11,928,782</b>
<u>Sombrero Butte Project</u>			
Acquisition of property rights	1,006,239	-	1,006,239
Technical analysis	1,307,643	37,375	1,345,018
Licenses and permits	66,502	4,760	71,262
Foreign exchange	458,686	(97,298)	361,388
<b>Total Sombrero Butte Project</b>	<b>2,839,070</b>	<b>(55,163)</b>	<b>2,783,907</b>
<u>Mineral Mountain Project</u>			
Technical analysis	1,613,913	314,144	1,928,057
Licenses and permits	58,246	12,029	70,275
Foreign exchange	75,600	(322,383)	(246,783)
<b>Total Mineral Mountain Project</b>	<b>1,747,759</b>	<b>3,790</b>	<b>1,751,549</b>
<b>Total Arizona Properties</b>	<b>16,842,882</b>	<b>(378,645)</b>	<b>16,464,238</b>
<i>British Columbia Properties:</i>			
<u>Schaft Creek</u>			
Acquisition of property rights	3,053,755	-	3,053,755
Technical analysis	62,229,240	2,482	62,231,722
Licenses and permits	106,623	-	106,623
BC Mineral Exploration Tax Credit	(3,575,505)	-	(3,575,505)
<b>Total Schaft Creek</b>	<b>61,814,113</b>	<b>2,482</b>	<b>61,816,595</b>
<u>Eaglehead</u>			
Property acquisition	1,131,694	-	1,131,694
Technical analysis	2,024,145	47,091	2,071,236
Reclamation obligation	241,000	-	241,000
BC Mineral Exploration Tax Credit	(156,641)	(163,617)	(320,258)
<b>Total Eaglehead</b>	<b>3,240,198</b>	<b>(116,526)</b>	<b>3,123,672</b>
<b>Total British Columbia Properties</b>	<b>65,054,311</b>	<b>(114,044)</b>	<b>64,940,267</b>
<b>Total Mineral Properties</b>	<b>\$ 81,897,193</b>	<b>\$ (492,689)</b>	<b>\$ 81,404,505</b>

**COPPER FOX METALS INC.***Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)****5. Exploration and Evaluation Assets (continued)**

	Balance October 31, 2022	Additions	Balance October 31, 2023
<i>Arizona Properties:</i>			
<u>Van Dyke Project</u>			
Acquisition of property rights	\$ 2,585,093	\$ -	\$ 2,585,093
Technical analysis	7,106,126	434,303	7,540,429
Licenses and permits	56,029	-	56,029
Foreign exchange	1,859,982	214,520	2,074,502
<b>Total Van Dyke Project</b>	<b>11,607,230</b>	<b>648,823</b>	<b>12,256,053</b>
<u>Sombrero Butte Project</u>			
Acquisition of property rights	1,006,239	-	1,006,239
Technical analysis	1,243,411	64,232	1,307,643
Licenses and permits	64,466	2,036	66,502
Foreign exchange	407,114	51,572	458,686
<b>Total Sombrero Butte Project</b>	<b>2,721,230</b>	<b>117,840</b>	<b>2,839,070</b>
<u>Mineral Mountain Project</u>			
Technical analysis	966,405	647,508	1,613,913
Licenses and permits	47,414	10,832	58,246
Foreign exchange	42,121	33,479	75,600
<b>Total Mineral Mountain Project</b>	<b>1,055,940</b>	<b>691,819</b>	<b>1,747,759</b>
<b>Total Arizona Properties</b>	<b>15,384,400</b>	<b>1,458,482</b>	<b>16,842,882</b>
<i>British Columbia Properties:</i>			
<u>Schaft Creek</u>			
Acquisition of property rights	3,053,755	-	3,053,755
Technical analysis	62,221,476	7,764	62,229,240
Licenses and permits	106,623	-	106,623
BC Mineral Exploration Tax Credit	(3,575,505)	-	(3,575,505)
<b>Total Schaft Creek</b>	<b>61,806,349</b>	<b>7,764</b>	<b>61,814,113</b>
<u>Eaglehead</u>			
Property acquisition	1,131,694	-	1,131,694
Technical analysis	1,651,897	372,248	2,024,145
Reclamation obligation	241,000	-	241,000
BC Mineral Exploration Tax Credit	-	(156,641)	(156,641)
<b>Total Eaglehead</b>	<b>3,024,591</b>	<b>215,607</b>	<b>3,240,198</b>
<b>Total British Columbia Properties</b>	<b>64,830,940</b>	<b>223,371</b>	<b>65,054,311</b>
<b>Total Mineral Properties</b>	<b>\$ 80,215,340</b>	<b>\$ 1,681,853</b>	<b>\$ 81,897,193</b>

## **COPPER FOX METALS INC.**

*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)*

**Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)**

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### **5. Exploration and Evaluation Assets (continued)**

#### **Schaft Creek Joint Venture**

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 Liard Copper Mines Ltd. Liard holds a 30% Net Proceeds Interest in the Schaft Creek project subject to certain terms and conditions. Royal Gold, Inc. holds a 3.5% Net Proceeds Interest in certain mineral claims which are part of the SCJV.

Teck is the operator of the SCJV and is responsible for, in addition to other obligations, \$60 million in milestone payments (\$20 million received) and funding of the first \$60 million in pre-production expenditures. As of January 31, 2024, Teck has funded approximately \$48 million towards the Schaft Creek project since mid-2013. After the first \$60 million has been funded by Teck, the pre-production expenditures would be split based on the ownership percentage, with Copper Fox's remaining two cash milestone payments (\$40 million) being applied against first 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 (Note 12).

#### **Van Dyke Project**

In 2012, Copper Fox acquired 100% of the Van Dyke copper project located in Miami, Arizona. Acquisition costs were \$500,000 in cash to Bell Copper Corporation, \$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 amended terms and conditions. The Vendors retained a 2.5% Net Smelter Return ("NSR") production royalty from the Van Dyke deposit. As of January 31, 2024, Copper Fox has incurred \$11,928,782 (US\$8,911,626) in expenditures on the Van Dyke Project.

#### **Sombrero Butte Project**

In 2012, Copper Fox acquired the rights, provided all option payments are made when due, to 100% of Bell Copper's Sombrero Butte property located 44 miles northeast of Tucson, Arizona. Acquisition costs were \$500,000 in cash and an assumption of Bell Copper'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. In October 2021, the Company made its final US\$40,000 payment and now holds an undivided 100% interest in the Sombrero Butte property. As of January 31, 2024, Copper Fox has incurred \$2,783,907 (US\$2,079,771) in expenditures on the Sombrero Butte Project.

#### **Mineral Mountain Project**

In 2015, Copper Fox established the Mineral Mountain copper project which is located 20 miles east of Florence, Arizona and is 100% wholly owned. As of January 31, 2024, the Company has incurred \$1,751,549 (US\$1,308,528) in expenditures on the Mineral Mountain Project.

## **COPPER FOX METALS INC.**

*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)*

**Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)**

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### **5. Exploration and Evaluation Assets (continued)**

#### **Eaglehead Project**

In February 2020, Northern Fox Copper Inc. (“Northern Fox”), a wholly owned subsidiary of the Company, entered into an agreement with District Copper to purchase the Eaglehead project for \$1,200,000 (\$200,000 paid initially), the assumption by Northern Fox of reclamation bonds of \$212,000 and the reservation of a 0.5% net smelter return royalty for District Copper on any future production. Northern Fox has the option to purchase 50% of the 0.5% NSR from District Copper, exercisable from the date of the agreement and up to two years from the date of commencement of production of the project for \$1,000,000. In March 2021, the Company received the Mines Act Permit from the BC Ministry of Energy and Mines which allowed the Company to proceed with paying the \$212,000 reclamation bond and complete the purchase agreement to acquire the Eaglehead project. The remaining \$1 million will be paid to District Copper in three annual instalments of \$340,000 (paid in April 2022), \$330,000 (paid in April 2023) and \$330,000, respectively, on each anniversary following the closing on April 19, 2021 (see Note 7 Promissory Note). The Company also recorded \$241,000 as a decommissioning liability for the Eaglehead project as of January 31, 2024 (Note 9).

In addition to the NSR from District Copper, certain claims under the Eaglehead project are subject to NSRs and a net milling royalty (the “Royalties”). Individually, the Royalties range from 2% to 2.5%. The Company has the right to purchase from 1% to 1.5% of each of the Royalties for purchase prices ranging from \$1,000,000 to \$2,000,000. As of January 31, 2024, the Company has incurred \$3,123,672 in expenditures on the Eaglehead Project, including a BC mineral exploration tax credit of \$320,258.

**COPPER FOX METALS INC.***Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)****6. Property and Equipment**

	<b>Buildings</b>	<b>Computer Equipment</b>	<b>Furniture &amp; Equipment</b>	<b>Heavy Equipment</b>	<b>Amount</b>
<u>Cost</u>					
At October 31, 2022	\$ 137,250	\$ 82,544	\$ 46,887	\$ 173,332	\$ 440,013
Additions for the year	-	-	-	16,858	16,858
At October 31, 2023	137,250	82,544	46,887	190,190	456,871
Additions for the period	-	-	-	-	-
<b>At January 31, 2024</b>	<b>\$ 137,250</b>	<b>\$ 82,544</b>	<b>\$ 46,887</b>	<b>\$ 190,190</b>	<b>\$ 456,871</b>
<u>Depreciation</u>					
At October 31, 2022	\$ 110,675	\$ 81,366	\$ 45,144	\$ 172,151	\$ 409,336
Additions for the year	2,657	353	349	3,445	6,804
At October 31, 2023	113,332	81,719	45,493	175,596	416,140
Additions for the period	665	89	87	930	1,771
<b>At January 31, 2024</b>	<b>\$ 113,997</b>	<b>\$ 81,808</b>	<b>\$ 45,580</b>	<b>\$ 176,526</b>	<b>\$ 417,911</b>
<u>Net Book Value</u>					
At October 31, 2023	\$ 23,918	\$ 825	\$ 1,394	\$ 14,594	\$ 40,731
<b>At January 31, 2024</b>	<b>\$ 23,253</b>	<b>\$ 736</b>	<b>\$ 1,307</b>	<b>\$ 13,664</b>	<b>\$ 38,960</b>

**7. Promissory Note**

In connection with the Eaglehead project acquisition (see Note 5), the Company is required to make a \$1,000,000 payment to District Copper in three annual instalments of \$340,000 (paid in April 2022), \$330,000 (paid in April 2023) and \$330,000, respectively, on each anniversary following closing on April 19, 2021. The Promissory Note is secured by a general security agreement and is registered against the Company's assets.

	<b>October 31, 2023</b>	<b>January 31, 2024</b>
Beginning balance	\$ 591,694	\$ 321,196
Promissory note	(330,000)	-
Accretion on promissory note	59,502	-
	321,196	321,196
Less current portion	321,196	321,196
<b>Non-current portion</b>	<b>\$ -</b>	<b>-</b>

The remaining minimum future promissory note payments are as follows:

	<b>Amount</b>
Fiscal 2024	330,000

**COPPER FOX METALS INC.***Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)****8. Right of Use Asset and Office Lease Liability**

The Company has a lease agreement for its headquarter office in Alberta. The Company recognized the following right-of-use asset and lease liability. The present value of the monthly base rent was \$240,363 using a financing rate of 15%.

**Right-of-Use Asset**

	<b>Office Lease</b>
<u>Cost</u>	
At October 31, 2022	\$ 98,779
Additions for the year	-
At October 31, 2023	98,779
Additions for the period	-
<b>At January 31, 2024</b>	<b>\$ 98,779</b>
<u>Depreciation</u>	
At October 31, 2022	\$ 29,620
Additions for the year	9,878
At October 31, 2023	39,498
Additions for the period	2,470
<b>At January 31, 2024</b>	<b>\$ 41,968</b>
<u>Net Book Value</u>	
At October 31, 2023	\$ 59,281
<b>At January 31, 2024</b>	<b>\$ 56,811</b>

Depreciation of right-of-use asset is calculated using the straight-line method over the remaining lease term.

**Office Lease Liability**

	<b>October 31, 2023</b>	<b>January 31, 2024</b>
Beginning balance	\$ 139,816	\$ 127,595
Lease payments made	(32,376)	(8,094)
Interest expense on lease liability	20,155	4,743
	127,595	124,244
Less current portion	14,186	14,186
<b>Non-current portion</b>	<b>\$ 113,409</b>	<b>\$ 110,059</b>



**COPPER FOX METALS INC.***Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)***Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)****8. Right of Use Asset and Office Lease Liability (continued)**

The remaining minimum future lease payments, excluding estimated operating costs, for the term of the lease including assumed renewal periods are as follows:

	<b>Amount</b>
Less than one year	24,282
One to five years	161,880
Beyond five years	-

**9. Decommissioning Liability**

The Company's decommissioning liabilities relate to its share of reclamation and closure costs for the Schaft Creek property and Eaglehead property. The total decommissioning liability for each property 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 \$180,000 as at January 31, 2024 (October 31, 2023 - \$180,000) based on an undiscounted and inflated future liability of \$180,000 (October 31, 2023 - \$180,000).

The Company estimated the decommissioning liability of Eaglehead to be \$241,000 as at January 31, 2024 (October 31, 2023 - \$241,000).

	<b>Schaft Creek</b>	<b>Eaglehead</b>	<b>Total</b>
<u>At October 31, 2022 and 2023</u>	\$ 180,000	\$ 241,000	\$ 421,000
Addition	-	-	-
Accretion	-	-	-
Revisions	-	-	-
<b>At January 31, 2024</b>	<b>\$ 180,000</b>	<b>\$ 241,000</b>	<b>\$ 421,000</b>

## **COPPER FOX METALS INC.**

*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)*

**Three Months Ended January 31, 2024** (Expressed in Canadian Dollars)

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### **10. 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.

During the three months ended January 31, 2024, the Company did not issue any common shares.

During the year ended October 31, 2023, the Company incurred the following shares issuances:

- On September 8, 2023, the Company closed a non-brokered private placement, raising aggregate gross proceeds of \$1,878,010 through the sale of 9,390,050 units ("Unit") at a price of \$0.20 per Unit. Each Unit consisted of one common share of the Company and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share for a two-year term, for an exercise price of \$0.25 during the first 12-month period after the closing of the offering and \$0.30 during the subsequent 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-V is above \$0.30 in the first 12-month period after the closing of the offering, or \$0.35 during the subsequent 12-month period, the expiry date of the warrants will be accelerated to any date or dates, as the case maybe, that is 30 days after the first date such threshold is met.
- 24,756,667 warrants were exercised for net proceeds of \$2,228,100.

## COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)

### 10. Share Capital (continued)

#### Warrants

As of January 31, 2024, the warrants outstanding are as follows:

	Number of Warrants
At October 31, 2023	4,695,025
<b>Additions, exercises or expiries:</b>	
Warrants exercised	-
<b>At January 31, 2024</b>	<b>4,695,025</b>

As of October 31, 2023, the warrants outstanding are as follows:

	Number of Warrants
At October 31, 2022	24,756,667
<b>Additions, exercises or expiries:</b>	
Warrants exercised	(24,756,667)
Warrants granted	4,695,025
<b>At October 31, 2023</b>	<b>4,695,025</b>

The value of the September 8, 2023 warrants granted was \$385,426 calculated using the Black-Scholes model with an exercise price of \$0.25, an expected life of two years, a volatility rate of 83.06% and a risk-free rate of 4.64%.

The breakdown of the warrants outstanding is as follows:

Number of Warrants Outstanding	Warrant Exercise Price (\$)	Warrants Exercisable as of January 31, 2024	Warrant Expiry Date
4,695,025	0.25 - 0.30	4,695,025	September 8, 2025
<b>4,695,025</b>		<b>4,695,025</b>	

#### Stock Option Plan

As of the September 16, 2021 Annual General Meeting ("AGM"), the Company no longer holds a stock option plan.

## COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)

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### 11. Related Party Transactions

During the three months ended January 31, 2024, legal fees included in professional fees of \$268 (January 31, 2023 - \$26,734) were paid to Farris LLP (“Farris”). As at January 31, 2024, included in trade and other payables to Farris was \$280 (October 31, 2023 - \$17,149). One of the partners at Farris is a member of Copper Fox’s Board.

As of January 31, 2024, included in trade and other payables to Pacific Opportunity Capital Ltd. (“POC”) was \$6,353 (October 31, 2023 - \$5,775). The Chief Financial Officer of the Company is the president of POC.

As at January 31, 2024, included in promissory note was \$330,000 (October 31, 2023 \$330,000) owed to District Copper (Note 7).

### 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 for the period are as follows:

	January 31, 2023	January 31, 2024
Directors fees included in Administration	\$ 500	\$ 500
Salaries and consulting fees included in Administration and Exploration and evaluation assets	87,500	93,455
<b>Total</b>	<b>\$ 88,000</b>	<b>\$ 93,955</b>

## **COPPER FOX METALS INC.**

*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)*

**Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)**

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### **12. Commitment**

#### **Schaft Creek Joint Venture**

Teck holds a 75% interest and the Company holds a 25% interest in the SCJV (Note 5), 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. As of January 31, 2024, Teck has funded approximately \$48 million towards the Schaft Creek project since mid-2013. 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 at the Prime Rate plus 2%, 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.

## **COPPER FOX METALS INC.**

*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)*

**Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)**

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### **13. Financial Instruments**

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, deposits, reclamation bonds, investments, trade and other payables, promissory note and office lease liability. The estimated fair value of cash and cash equivalents, trade and other receivable, deposits and accounts payable approximate their carrying value due to the immediate or relatively short period to maturity. The Company's investment in District Copper shares is measured at fair value using Level 1 inputs while the Company's investment in Liard is measured at fair value using Level 3 inputs. The Company's investment in Liard consists of unlisted equity instruments (common shares of Liard). The determination of fair value by management was based on the most recent transaction of the underlying company (Note 4). The Company performed a sensitivity analysis on the carrying value of its Level 3 asset and noted that a 20% decrease would result in \$21,365 decrease in fair value. The fair values of office lease liability and promissory note are initially recorded at fair value and subsequently carried at amortized cost using rates comparable to market interest rates.

#### **Determination of Fair Value**

The Company classifies the fair value of its financial instruments measured at fair value according to the following hierarchy, based on the number 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 direct investment in Liard is carried every year at fair value and is a Level 3 instrument.

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

- Credit risk
- Market risk
- Liquidity risk

#### **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from partners and tax authorities. The maximum exposure to credit risk at January 31, 2024 is \$6,257 (October 31, 2023 - \$13,560).

## **COPPER FOX METALS INC.**

*Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)*

**Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)**

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### **13. Financial Instruments (continued)**

#### **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 because of changes in foreign exchange rates. During the three months ended January 31, 2024 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 January 31, 2024, the Company had \$199,316 in US denominated cash balances.

#### Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates.

As of January 31, 2024, the Company is exposed only on its cash balances.

#### Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate because 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 trade and other payables, office lease liability (current portion) and promissory note (current portion). Trade and other payables consist 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. Office lease liability relates to the Company's office space in Calgary, Alberta. Lease payments are due on a monthly basis. Promissory note consists of the 2024 payments with respect to the Company's Eaglehead project.

## COPPER FOX METALS INC.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

Three Months Ended January 31, 2024 (Expressed in Canadian Dollars)

### 13. Financial Instruments (continued)

Trade and other payables 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.

### 14. Capital Management

The Company considers its capital structure to consist of share capital and warrants. The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management.

The mineral properties in which the Company currently has an interest in are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. Additional sources of funding, which may not be available on favourable terms, if at all, include share equity and debt financings; equity, debt or property level joint ventures; and sale of interests in existing assets. To carry out the planned exploration and development and pay for operating expenses, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended January 31, 2024. The Company is not subject to externally imposed capital requirements. The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments; all held within major Canadian financial institutions.

### 15. Geographic Segments

	Three months Ended	
	January 31, 2023	January 31, 2024
<i>Net Loss:</i>		
Canada	\$ 273,855	\$ 222,989
United States	5,735	7,888
<b>Totals</b>	<b>\$ 279,590</b>	<b>\$ 230,877</b>

	October 31, 2023	January 31, 2024
	<i>Current Assets:</i>	
Canada	\$ 1,289,832	\$ 723,467
United States	92,580	266,797
<i>Non-Current Assets:</i>		
Canada	65,672,848	65,487,996
United States	16,859,541	16,484,316
<b>Totals Assets</b>	<b>\$ 83,914,801</b>	<b>\$ 82,962,576</b>