COPPER FOX METALS INC.

MATERIAL CHANGE REPORT

FORM 51-102F3

1. **Name and Address of Company:**

   Copper Fox Metals Inc. (the "**Company**")
   Suite 650, 340 – 12th Avenue SW
   Calgary, AB T2R 1L5

2. **Date of Material Change:**

   May 31, 2012

3. **News Release:**

   A news release announcing the material change disclosed in this material change report was issued by the Company on May 31, 2012 (the "Press Release"). The news release was distributed via CNW Group.

4. **Summary of Material Change:**

   The Company announced an update to the Schaft Creek Resource Estimate, containing a measured and indicated resource of 7.1 billion pounds copper, 455.3 million pounds molybdenum, 7.3 million ounces gold and 66.7 million ounces of silver and an inferred resource of 2.9 billion pounds of copper, 206.2 million pounds of molybdenum, 3.3 million ounces of gold and 31.6 million ounces of silver.

5. **Full description of Material Change:**

   The Company announced to its shareholders the results of the recently completed National Instrument 43-101 ("NI 43-101") resource estimate for the Schaft Creek copper-gold-molybdenum-silver deposit located in northwest British Columbia, Canada. The resource estimate was prepared by Tetra Tech Wardrop ("Tetra Tech") and the NI 43-101 report disclosing the resource will be filed on SEDAR within 45 days. Highlights of the resource estimate for the Schaft Creek deposit using a 0.15% copper equivalent cut-off (Base Case) are as follows:

   Highlights:

   a) The Measured Resource is comprised of 146.6 million tonnes grading 0.31% copper, 0.017% molybdenum, 0.24g/t gold and 1.78g/t silver (containing 1.0 billion pounds copper, 55.6 million pounds molybdenum, 1.15 million ounces gold and 8.40 million ounces silver;

   b) The Indicated Resource is comprised of 1.08 billion tonnes grading 0.26% copper, 0.017% molybdenum, 0.18g/t gold and 1.68g/t silver containing 6.1 billion pounds copper, 399.7 million pounds molybdenum, 6.22 million ounces gold and 58.34 million ounces silver;

c) The combined Measured and Indicated Resource is comprised of 1.23 billion tonnes grading 0.26% copper, 0.017% molybdenum, 0.19g/t gold and 1.69g/t silver containing 7.11 billion pounds copper, 455.3 million pounds molybdenum, 7.37 million ounces gold and 66.74 million ounces silver;

d) The Inferred Resource is comprised of 597.2 million tonnes grading 0.22% copper, 0.016% molybdenum, 0.17g/t gold and 1.65g/t silver containing 2.87 billion pounds copper, 206.3 million pounds molybdenum, 3.36 million ounces gold and 31.60 million ounces silver, and;

e) The resource estimate includes the silver content of the mineralization in both the Paramount and Liard zones.

Elmer B. Stewart, President and CEO of Copper Fox stated, "The Measured and Inferred Resource categories, the total copper-molybdenum-gold-silver content and the fact that the deposit is still open in several directions (along strike) indicates a new dimension to the potential size of the Schaft Creek deposit. Additional drilling will have to be completed to realize this potential and define the un-explored portions of the Schaft Creek deposit. It is noteworthy that the current Measured and Indicated Resource exceeds 1.2 billion tonnes and incorporates the silver content which is expected to have a positive impact on the economics of the Schaft Creek deposit. The important criteria in selecting a cut-off grade in a resource estimate are the average grade of the metals, tonnes and contained metal content. The resource estimate shows substantial increases in both tonnes and copper-molybdenum-gold-silver content at both the 0.15% and 0.20% CuEq levels of cut-off. Given the very minimal decrease in average grade for each metal, we have been able to select a 0.15% CuEq cut-off. The Base Case results will be used to complete the Feasibility Study for the Schaft Creek project which is expected to be completed by mid to late summer 2012."

The significant increase in resources being reported is due in part to exploration results achieved in 2011 along with the variation in methodology used between the 2011 and 2012 resource estimates. The updated resource estimate prepared by Tetra Tech reports an insitu estimate of the mineral resource categories for the Schaft Creek deposit. The resource estimate prepared in 2011 was completed using an optimized pit shell using various economic parameters (see News Release dated July 11, 2011). As part of its work in completing the 2012 Feasibility Study, Tetra Tech is preparing a new optimized pit shell design based on current economic parameters that it will specify.

Base Case

Copper Fox has selected the 0.15% copper equivalent ("Cu Eq.") cut-off for its base case resource estimate (see Table-1). A 0.15% Cu Eq. cut-off was the minimum grade of copper equivalent estimated by Tetra Tech required (using the estimated copper recovery rate, the milling and sales cost) to break-even on an operating cost per tonne basis.

Resource Estimate

The effective date of the mineral resource estimate is May 23rd, 2012. Mineral resources were estimated for the Liard (also referred to as the Main) zone and the Paramount (previously referred to as the Paramount-Breccia) zone separately. The mineral resources were estimated using criteria consistent with the CIM Definition Standards (2010) and in conformity with CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice" (2003) guidelines. The estimated mineral resources using a 0.15% Cu Eq. cut-off grade are categorized and tabulated in Table-1. The Base

Case numbers presented in the following tables have been rounded to reflect "Best Practice Principals" as established by the CIM.

Table-1: Mineral Resource Estimate – Schaft Creek Deposit
Robert Morrison - Ph.D., MAusIMM (CP), P.Geo., Effective Date: May 23rd, 2012

Resource Category	Cut-off CuEq (%)	Tonnes	Copper (%)	Molybdenum (%)	Gold (g/t)	Silver (g/t)	Contained Metal			
							Cu (Lbs)	Mo (Lbs)	Au (ozs)	Ag (ozs)
Measured	0.15	146,615,300	0.31	0.017	0.24	1.78	1,001,824,600	55,624,000	1,149,100	8,402,700
Indicated	0.15	1,081,939,500	0.26	0.017	0.18	1.68	6,104,400,000	399,718,500	6,218,000	58,335,500
Measured & Indicated	0.15	1,228,554,800	0.26	0.017	0.19	1.69	7,106,224,600	455,342,500	7,368,000	66,738,200
Inferred	0.15	597,191,300	0.22	0.016	0.17	1.65	2,872,034,300	206,252,100	3,359,600	31,601,400

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.

Resource Estimation Methodology

The Schaft Creek model used for this resource estimate was constructed using Datamine™ software (Version 3.20.6420.0). Blocks (parent cells) measuring 15 m by 15 m by 15 m were used in completing the resource estimation. All easting, northing and elevation are based on UTM coordinate system (Zone 9).

X Origin	Y Origin	Z Origin	XINC	YINC	ZINC	Number X	Number Y	Number Z
378400 mE	6357700 mN	0.00 mRL	15m	15m	15m	200	267	120

The total block model encompassed a volume of 3,000 m (east-west) by 4,005 m (north – south) by 1,800 m (elevation). A series of closed wireframes and wireframe surfaces (DTM's) were used to define the Schaft Creek resource.

Drill holes

A total of 286 drill holes with 16,501 composited (4 m) drill hole intervals (approximately 65,843 metres) were used by Tetra Tech in estimating the mineral resources for the Schaft Creek deposit.

Grade Capping and Compositing

Statistical analyses of the drill hole assay data indicated that capping was required to manage the outliers in the sample population. Silver was capped at 18 g/t, gold was capped at 2 g/t, copper was capped at 1.8% and molybdenum was capped at 0.25%. Density measurements recorded spurious SG results above 3.8 and below 1.5. These outlier density values were assigned an absent value prior to estimation, while metal values that exceeded the cap were re-assigned the cap value. The drill holes were subsequently composited to 4 m lengths. This length was chosen as it slightly exceeded all the major individual sample lengths.

Estimation Domains

Two broad estimation domains, the Liard zone and the Paramount zone, were modeled and estimated independently of each other. To complete Ordinary Kriging (OK), variography was completed for all estimated metals in the Liard zone and Paramount zone separately. Variogram orientations were used as the sample search orientation. Sample search ranges coincided with maximum variogram ranges such that pass 1 used the radii of the maximum variogram ranges, pass 2 used twice the radii and pass 3 uses three times the radii.

To estimate the metal content, the maximum number of samples allowed was 24. Only 3 samples were allowed from the same drill hole. The minimum number of samples used was 20 for the first pass, 16 for the second pass and 12 for the third pass. For estimating density, the minimum number of samples used was 12 for the first pass, 9 for the second pass and 6 for the third pass. Density estimation for the blocks was completed using Inverse Distance Squared (ID2) and thus variography was not required. Where density could not be estimated successfully, it was assigned the average value of 2.69 for fresh rock. The density of the waste rock was not estimated and was assigned a value of 2.69. The density of the overburden was not estimated and assigned a value of 2.

A separate model was completed for comparative purposes using Inverse Distance Squared (ID2) and Nearest Neighbor (NN) estimates. The Nearest Neighbour method was used for density, while both ID2 and NN were used to compare the reported OK results. Theses parallel estimates confirmed and supported the original resource estimates.

The procedures used for the purposes of the resource estimate (at a 0.15% Cu Eq. cut-off) are:

a) Sample assays were composited to 4 m metre intervals for grade interpolation.

b) Copper equivalent grade shell wireframes, using a 0.25% cut-off, were generated to confine the extrapolation of grade in the Tetra Tech model. The Liard zone wireframe measures approximately 1.0 km (east-west) by 1.5 km (north-south) by 0.6 km (elevation) for a total contained volume of approximately 430,984,600 cubic metres. The Paramount zone wireframe measures approximately 0.4 km (east-west) by 1.3 km (north-south) by 0.6 km (elevation) for a total contained volume of approximately 276,177,700 cubic metres. No metal grade values were assigned (e.g. average grade, correlation coefficient, etc.) if any assays were missing.

Resource Statement

The sensitivity of the mineral resource in the Schaft Creek deposit (includes the Liard and Paramount zones) to either a reduction or increase in copper equivalent cut-off is shown in Table-2. The base case mineral resource above a 0.20% Cu Eq. cut-off is reported separately within the Paramount zone (in Table-3) and within the Liard zone (in Table-4).

Block Model Validation

Comparisons of different estimation techniques (Ordinary Kriging, Inverse Distance Squared, and Nearest Neighbor) show similar statistics and thus help validate the resource model. In comparison with drill holes, block model mean grades are slightly less, reflecting positive skewness of the estimation dataset, whereas the negative skewness in the density data corresponds to slightly higher mean densities for the block model.

Copper Equivalent

Copper grade as a combined function of copper, molybdenum, gold, and silver was calculated within each of the estimated blocks. The calculation of the copper equivalent is based on Tetra Tech long-range metal prices.

Cu1 = (cu_ok*2.97*22.0462) where Cu metal = $US 2.97 per pound

Cu2 = (mo_ok*0.609*16.80*22.0462) where Mo metal = $US 16.80 per pound

Cu3 = (au_ok*0.706/31.1035*1256.00) where Au metal = $US 1,256.00 per ounce

Cu4 = (ag_ok*0.434/31.1035*20.38) where Ag metal = $US 20.38 per ounce

Cu5 = Cu1 + Cu2 + Cu3 + Cu4

cu_eq = (Cu5/2.97/22.0462)

Resource Classification

As part of the resource estimate, the LaGrange Multiplier (LG) and the F-Function (F) were estimated into each block (cell) using the same estimation parameters as copper. These two functions were used to calculate out Kriging Efficiency (KE – up to 100%) and the Theoretical Slope of Regression (ZZ – 0 to 1). Both KE and ZZ are used to evaluate the quality or confidence of the Ordinary Kriged estimation where:

BV = 1-F [where BV = block variance]

KE = (BV-KV)/BV*100 [where KV = kriging variance]

ZZ = (BV-KV+abs(LG))/(BV-KV+2*abs(LG))

The resource classification was assigned to each cell as a function of the cell's ZZ. If the ZZ was greater than 0.95, the cell was classified as Measured. If the ZZ was between 0.25 and 0.95, the cell was classified as Indicated. If the ZZ was below 0.25, the cell was classified as Inferred.

This method takes into consideration sample support, drill density and variography in assigning resource classification. This method is applied to each block (cell). The method may fail to provide a single contiguous volume of Measured, Indicated and Inferred resources as would be expected using a solid wireframe. However, the 0.95 cut-off reflects a reasonably continuous *Measured* resource, and the 0.25 cut-off agrees with the volume of *Indicated* resource.

Table-2: Sensitivity of Mineral Resource to Cut-Off Grade
Robert Morrison - Ph.D., MAusIMM (CP), P.Geo. Effective Date May 23rd, 2012:

Resource Category	Cut-off CuEq (%)	Tonnes	Copper (%)	Molybdenum (%)	Gold (g/t)	Silver (g/t)	Cu Eq (%)
Measured	0.10	147,635,596	0.308	0.017	0.243	1.779	0.481
Base Case	0.15	146,615,287	0.310	0.017	0.244	1.783	0.483
	0.20	143,941,114	0.314	0.017	0.246	1.793	0.489
	0.25	137,927,871	0.321	0.018	0.252	1.813	0.500
	0.30	126,829,423	0.334	0.019	0.260	1.852	0.520
	0.35	110,534,082	0.353	0.020	0.272	1.906	0.548
Indicated	0.10	1,102,969,036	0.252	0.017	0.177	1.669	0.394
Base Case	0.15	1,081,939,528	0.256	0.017	0.179	1.677	0.399
	0.20	1,021,909,252	0.265	0.017	0.182	1.694	0.412
	0.25	915,477,325	0.279	0.019	0.190	1.730	0.433
	0.30	770,430,025	0.298	0.020	0.203	1.794	0.463
	0.35	612,662,375	0.320	0.022	0.219	1.880	0.498
Inferred	0.10	616,607,156	0.213	0.015	0.174	1.634	0.349
Base Case	0.15	597,191,283	0.218	0.016	0.175	1.646	0.356
	0.20	538,065,824	0.232	0.017	0.179	1.665	0.375
	0.25	450,670,341	0.251	0.019	0.188	1.713	0.404
	0.30	355,826,449	0.272	0.021	0.203	1.795	0.439
	0.35	264,462,368	0.295	0.023	0.223	1.899	0.478

Table-3: Mineral Resource Reported within the Paramount zone at 0.15% Cu Eq. cut-off)

Resource Category	Cut-off CuEq (%)	Tonnes	Copper (%)	Molybdenum (%)	Gold (g/t)	Silver (g/t)	Cu Eq (%)	Contained Metal			
								Cu (Lbs)	Mo (Lbs)	Au (ozs)	Ag (ozs)
Measured	0.15	20,594,900	0.31	0.022	0.197	1.92	0.49	142,180,000	10,088,000	130,000	1,274,000
Indicated	0.15	467,372,400	0.28	0.021	0.170	1.80	0.39	2,851,837,000	217,815,000	2,586,000	27,081,000
Measured & Indicated	0.15	**487,967,300**	**0.28**	**0.021**	**0.173**	**1.81**	**0.44**	**2,994,017,000**	**227,903,000**	**2,716,000**	**28,355,000**
Inferred	0.15	**239,730,200**	**0.28**	**0.022**	**0.205**	**1.88**	**0.46**	**1,489,381,000**	**118,552,000**	**1,576,000**	**14,452,000**

Table-4: Mineral Resource Reported within the Liard zone (Main) at 0.15% Cu Eq. cut-off

Resource Category	Cut-off CuEq (%)	Tonnes	Copper (%)	Molybdenum (%)	Gold (g/t)	Silver (g/t)	Cu Eq (%)	Contained Metal			
								Cu (Lbs)	Mo (Lbs	Au (ozs)	Ag (ozs)
Measured	0.15	126,020,000	0.31	0.016	0.25	1.76	0.48	859,644,000	45,536,000	1,020,000	7,129,000
Indicated	0.15	614,567,000	0.24	0.013	0.18	1.59	0.37	3,252,564,000	181,903,000	3,632,000	31,255,000
Measured & Indicated	**0.15**	**740,587,000**	**0.25**	**0.014**	**0.20**	**1.61**	**0.39**	**4,112,208,000**	**227,439,000**	**4,652,000**	**38,384,000**
Inferred	**0.15**	**357,461,000**	**0.18**	**0.011**	**0.16**	**1.49**	**0.29**	**1,382,653,000**	**87,700,000**	**1,783,000**	**17,149,000**

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:**

Not applicable.

7. **Omitted Information:**

No significant facts otherwise required to be disclosed in this report have been omitted.

8. **Executive Officer:**

The following executive officer of the Company is knowledgeable about the material change and may be contacted respecting the change:

J. Michael Smith
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9. **Date of Report:**

June 1, 2012