Suite 650, 340-12th Avenue SW, Calgary, AB, Canada T2R 1L5 ▪ Phone: 403-264-2820 ▪ Fax: 403-264-2920

LETTER TO SHAREHOLDERS

I am pleased to report that activities undertaken over the past year achieved or exceeded expectations and advanced each of our copper projects on a technical basis. Teck Resources Limited ('Teck'), as Operator of the Schaft Creek Joint Venture ('SCJV'), completed the largest and most comprehensive work program since formation of the joint venture as the SCJV works toward advancing the project to the prefeasibility study ('PFS') stage.

Since inception, Copper Fox has recognized environmental, social and governance ("ESG") best practices as key components to being a responsible mineral exploration/development company. Copper Fox strives to earn its social license by involving local communities, regulators, and stakeholders to understand issues important to local and Indigenous communities based on transparency, open communication, inclusivity, and respect, and to, where possible, provide social and economic benefits for local communities.

The need for a sustainable supply of copper and the industry's ability to meet the forecasted demand is rapidly becoming a topic of conversation. Now more than ever copper is being recognized as a commodity of the future, as the western world and developing nations continue efforts to transition to a greener low carbon economy, improve quality of life and build out infrastructure. The recent advent of artificial intelligence adds an additional layer to the future forecast demand for copper. In the short term, the current volatility in the copper market is expected to remain, due to challenging economic issues including the direction of China's economy and US monetary policy. Despite these potential head winds, some groups are forecasting that copper demand could double by 2035 based on improving global economic conditions. Aging mines, declining head grades, and the much-discussed need for higher copper prices to justify new mine development compounded by longer lead times for permitting and construction are but a few of the issues facing the copper industry. The future demand forecasts for copper are encouraging for companies with advanced stage projects such as our Schaft Creek and Van Dyke projects and resource stage projects like our Eaglehead project.

At Schaft Creek the 2023 work program incurred $19.8 million in expenditures bringing the cumulative expenditures since formation of the SCJV to $49.7 million (fully funded by Teck). The 2024 work program at Schaft Creek contemplates an $18.7 million budget and will focus on furthering geotechnical investigations required to confirm key aspects of the open pit design, completion of the metallurgical testwork program, a site wide assessment of the proposed infrastructure as well as updates to the access road alignment, construction timeline, the resource, geologic, structural and slope stability models. More importantly, the Environmental Baseline data collection program initiated in 2023 will continue in alignment with the Tahltan Nation's cultural and social tradition and will support future permitting should the SCJV decide to initiate such activities. The results of the 2024 program are anticipated to transition the project from Scoping to PFS stage. The metallurgical testwork is expected to be completed in Q3-2024 and is one of the key project economic enhancements identified in the 2021 Preliminary Economic Assessment of the Schaft Creek project. While the preliminary indications are encouraging, the results of the ongoing testwork are required for a better characterization of the variability and metallurgical performance across the deposit which enables optimization of the process plant design to better predict metal production and processing costs.

At Van Dyke, our advanced stage in-situ copper recovery ('ISCR') project, we successfully completed the drillhole rehabilitation program, the mineralogical and geochemical investigation, and a geotechnical investigation of the Gila Conglomerate as we continue to advance the project toward the PFS stage. The drillhole rehabilitation program provided the opportunity to initiate collection of hydrogeological and water quality data to develop an updated hydrogeological model and establish baseline water quality data to support future permitting activities.

The mineralogical and geochemical investigation on the oxide and transitional mineralization mitigated several potential operational risks that were identified at another ISCR project in Arzona and suggests faster leaching times and higher copper grades in the pregnant leach solution which could positively impact predicted copper production. Copper Fox's plan for developing the Van Dyke project contemplates installing all infrastructure related to the leaching process underground to significantly reduce the potential social and environmental impacts related to project development. The plan contemplates driving a decline to above the base of the Gila Conglomerate from which all required underground workings needed for the leaching process could be developed. The geotechnical investigation supports the proposed access plan and concludes that the current geotechnical database is sufficient to meet the threshold required for a PFS. This investigation made recommendations for ground support to provide a safer working environment and utilization of new technology to advance the decline while maintaining the geotechnical strength of the Gile Conglomerate. The results from these studies could dictate a change to the project configuration, construction timeline, and projected capital, operating and sustaining costs as the Van Dyke project continues to prove itself as a serious mid-tier competitor in the ISCR sector in Arizona.

The Eaglehead project progressed to the "advanced" exploration stage in 2023 with the completion of a Mineral Resource Estimate ('MRE'), a "milestone" event in project development. The MRE, in terms of average metal grades and tonnes, are in line with other copper deposits and operating copper mines in British Columbia and added significant amounts of copper-molybdenum-gold-silver to our metal balance, but most importantly, demonstrated the potential of the project due to the strong positive correlation between the porphyry mineralization and the geophysical signature of which approximately 20% has been drill tested. Copper Fox completed the final CA$330,000 installment payment for the project on April 19, 2024. The project currently holds an exploration permit that is in good standing until March 31, 2026. Copper Fox is contemplating a 2,500-meter drilling program to test the 'gap' between the Bornite and East zones, positive results from this program could potentially increase the size of the mineral resource.

The Mineral Mountain project is located along a prolific northeast trending belt of porphyry copper deposits in Arizona. The project is developing into a district scale porphyry exploration play with four high quality targets identified within a six-kilometer-long northeast mineralized trend, exhibiting a large copper "footprint" and underlain by a strong, northeast trending 3,200-meter-long open-ended positive chargeability body. Copper Fox is working to obtain a permit to conduct a "maiden" drill program to test the chargeability body. At Sombrero Butte activities were focused on a mapping and sampling program based on the results from a comprehensive hyperspectral survey. The results of the program form the basis for planning a deep penetrating geophysical survey to define the size of the chargeability anomalies.

Despite the volatility in copper prices, Copper Fox plans to continue to position itself in the copper supply chain to provide high quality, copper projects to intermediate and senior copper miners. In closing, I would like to take this opportunity, on behalf of all Copper Fox, to express our sincere gratitude to Mr. J. Michael Smith for his dedication, support and guidance since formation of the Company as he retires from the Board, we look forward to keeping in touch. I also want to thank our shareholders for their continued support as well as recognize the efforts of our employees, consultants, and the Board of Directors.

On behalf of the Board of Directors

(Signed) "*Elmer B. Stewart.*"
Elmer B. Stewart
President, and Chief Executive Officer
July 22, 2024