

## Copper Fox Metals (CUU-CN)

*Ignore the ST Volatility, Look at the Portfolio of Copper Assets*

### Event

Following a recent surge in copper futures culminating with the Comex price surpassing \$5.00 /lb last week, we increase our LT copper target from \$4.35/lb to \$5.00/lb and as such provide updated price objectives for the copper producers & developers we currently cover. Most timely to begin with is Copper Fox Metals which has seen some dramatic (+200% at peak) price swings last week. Since our initial report dated August 30 2023, much has happened on the development front at many of the key copper portfolio properties. Ultimately, our thesis and positive view on this name remains intact, highlighted by a tier-1 portfolio of billion+ lb copper projects located exclusively in the United States and Canada. Owing to our revised LT price deck, our newly established 12-month price objective amounts to +153% upside from a recent intraday quote.

### Details

- **An Enviable Copper Portfolio** – Copper Fox Metals maintains an enviable copper portfolio with various projects boasting a billion+ lb copper resource located in safe, tier-1 North American mining districts. Spanning between BC's Golden Triangle and Arizona's Laramide Copper Province, the portfolio comprises two advanced stage projects (Schaft Creek and Van Dyke) and three exploration stage projects (Mineral Mountain, Sombrero Butte and Eaglehead). The company benefits from a current JV partnership with Teck Resources (TECK) on Schaft Creek (75% TECK, 25% CUU) and even has ISR exposure via the wholly-owned, Arizona based Van Dyke project.
- **Van Dyke ISR Copper** – Using the development success at Taseko's ISR Florence project as a blueprint, work has been ongoing at Van Dyke with the recent rehabilitation of a historical drillhole for hydrogeological monitoring. Work has thus far confirmed a high degree of oxidization, rapid leaching rates for the copper minerals and low acid consuming gangue and host rock mineralogy. Much work remains but the potential economics were highlighted in a revised 2021 PEA which estimated a 17 year LOM project producing an average of 80M lbs of copper annually.
- **Schaft Creek** – This past January, analytical results were announced for the 2023 geotechnical drilling program. Five of the eight geotechnical drillholes completed along the highwall portion of the Paramount zone intersected significant intervals of porphyry style copper-molybdenum-gold-silver mineralization. Highlight assays from a particular drill hole (DDH SCK-23-468) included a core interval of 166.4m averaging 0.308% copper, 0.019% moly, 0.117 g/t gold and 0.82 g/t silver. Additionally, from 481.80 to 687.94m, a core interval of 206.14m averaged 0.494% copper, 0.029% moly, 0.282g/t gold and 1.79g/t silver.

### Conclusion

Given our LT \$5.00/lb copper price objective, we maintain our 0.2x NAV<sup>8%</sup> price objective which equates to upside of +153% from a recent intraday quote. Volatility aside, note that shares are up by +43% YTD as the company currently trade at a 0.08x P/NAV. We stress the importance of ignoring the short term price swings while keeping an eye on the LT project developments. The full details can be found [here](#):

### Company Profile

Sector	Mining
Sub-Sector	Copper
Ticker	CUU
Ticker	CPFXF

Current Price (\$)	C\$0.265
12-Mth Price Objective (\$)	C\$0.67
Potential Upside	153%
Mkt Cap, Basic (\$M)	\$149.6M
Mkt Cap, FD (\$M)	\$149.9M
EV (\$M)	\$149.3M
Shares O/S Basic (M)	558.7M
1-Mth Return	+19.0%
3-Mth Return	+88.1%
YTD Return	+42.8%

Van Dyke	2027e	2028e	2029e
Cu Production lbs '000	11,994	77,112	84,662

LOM Production lbs	1,100M
LOM avg. C1 cost\$/lb	\$1.09
LOM avg. AISC\$/lb	\$1.27

Cu - M&I	Tons (Mt)	M lbs
Van Dyke	97.6	717
Schaft Creek	1,345.5	7,760

Cu - Inferred	Tons (Mt)	M lbs
Van Dyke	168.0	1,007
Schaft Creek	343.6	1,300

### Company Description

Copper Fox Metals is a TSX and OTCQX listed copper company advancing the wholly-owned Van Dyke (Arizona) ISR and Schaft Creek projects. Van Dyke is a PEA level project with an estimated 17 year LOM producing ~64M lbs of copper per year at an average C1 cost of \$1.09 per lb or AISC of \$1.27 per lb. Schaft Creek (75% Teck) is a large scale copper porphyry project located in BC.

### 2-Year Stock Chart



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X (Twitter): @HoldCoMarkets  
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