

Copper Fox Metals Inc. (CUU)

Preliminary Geometallurgical Model Completed at Van Dyke

Event

Copper Fox Metals announced that a Preliminary Geometallurgical Model (PGM) was completed on its wholly-owned Van Dyke ISR copper property, located in the Globe-Miami Mining District, in Gila County, Arizona. The PGM was completed with the goal of locating the data gaps/spaces in metallurgical coverage across the deposit. Results from the PGM also provide some indication as to where metallurgical samples could/should be collected from future drill holes.

Details

- **PGM Details** – In an effort to develop an updated geometallurgical model, the PGM was successful on three fronts, namely with the identification of the mineralogical domains (zones), analysis within the gaps/spaces in the metallurgical coverage across the deposits, and finally, with the development of recommendations for future metallurgical testing.
- **Mineralogical Domains** – The domains identified in the Van Dyke deposit have been found to be consistent with the general description of “Supergene” copper copper deposits. Both the oxide and transition zones remain as the main zones of interest.
- **Van Dyke 2020 PEA** – Recall that a Preliminary Economic Assessment (PEA) published for Van Dyke in 2020 illustrated an operation producing ~85M lbs of grade A copper cathode annually over an estimated 17 year LOM. Using a base case LT copper price of \$3.15 per lb, an after tax NPV^{7.5%} of \$644.7M was calculated, along with an after-tax IRR of 43.4%
- **Planning Ahead** – Recommendations for additional metallurgical test work include using whole drill core samples to characterize the mineralization, identify mineralogy, BRT and corresponding PRT tests to establish correlation with previous tests.

Conclusion

Ultimately, results from the PGM provide greater certainty on the metallurgical variability across the van Dyke deposit. As progress continues to be made at Van Dyke, we note that critical to the de-risking of the asset, the PGM is an important component of the Execution Plan to map out the scope, timing and estimated cost of studies required to meet the threshold of a Pre-Feasibility (PFS) level study. These latest metallurgical results allow for an update to the current PGM. Given this data, the metallurgists will now be in a position to determine if additional sampling would be required to meet the threshold for a PFS level of investigation/study. Given the most recent close (August 28), shares of Copper Fox currently trade at a 0.12x P/NAV valuation, or at C\$0.02 per booked CuEq lbs. We maintain our C\$0.60 per share price objective. The full online details can be found [here](#):

Company Profile

Sector	Mining		
Sub-Sector	Copper		
Ticker	CUU		
Company Ticker	CPFXF		
Current Price (\$)	C\$0.30		
12-Mth Price Objective (\$)	C\$0.60		
Potential Upside	+103%		
Mkt Cap, Basic (\$M)	\$161.0M		
Mkt Cap, FD (\$M)	\$161.0M		
EV (\$M)	\$160.1M		
Shares O/S Basic (M)	575.1M		
1-Mth Return	+18.0%		
3-Mth Return	+22.9%		
YTD Return	+18.0%		
HCM Estimates:			
Van Dyke	2029e	2030e	2031e
Cu Production lbs '000	11,994	50,000	84,662

LOM Production lbs	1,050M
LOM avg. C1 cost\$/lb	\$1.58
LOM avg. AISC\$/lb	\$1.74

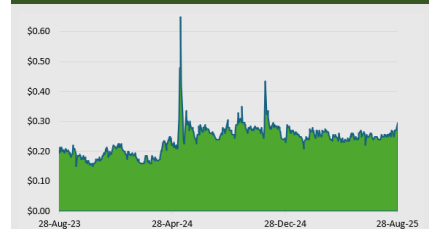
Cu - M&I	Tons (Mt)	M lbs
Van Dyke	97.6	717
Schaft Creek	1,345.5	7,760

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 (BC) projects. Van Dyke is a PEA level project with an estimated 17 year LOM producing ~1.10B lbs of copper (total) at an average C1 cost of \$0.86 per lb or AISC of \$1.14 per lb. Schaft Creek (75% Teck) is a large scale copper porphyry project located in BC.

2-Year Stock Chart



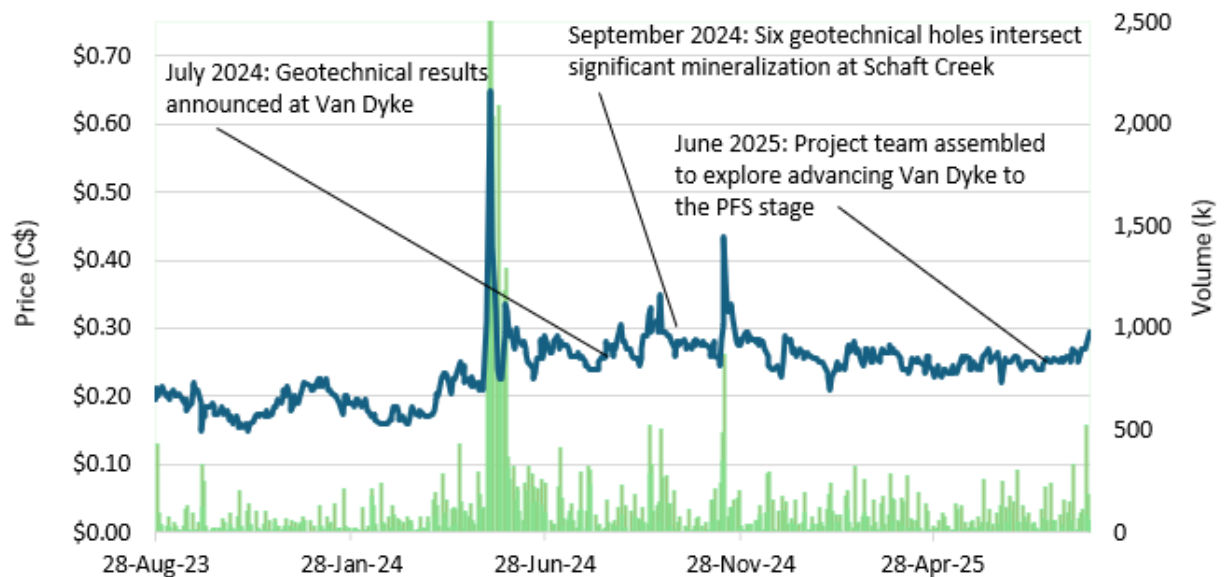
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FURTHER DEFINITION OF THE VAN DYKE DEPOSIT

The advancing and de-risking of the Van Dyke ISR copper project continues as the recently completed Preliminary Geometallurgical Model (PGM) was successful in achieving three objectives: 1) the identification of the mineralogical domains (zones), 2) analysis within the gaps/spaces in the metallurgical coverage across the deposits, and finally, 3) the development of recommendations for future metallurgical testing. Given this data, the metallurgists will now be in a position to determine if additional sampling would be required to meet the threshold for a PFS level of investigation/study.

Exhibit 1. Two-Year Share Price Performance

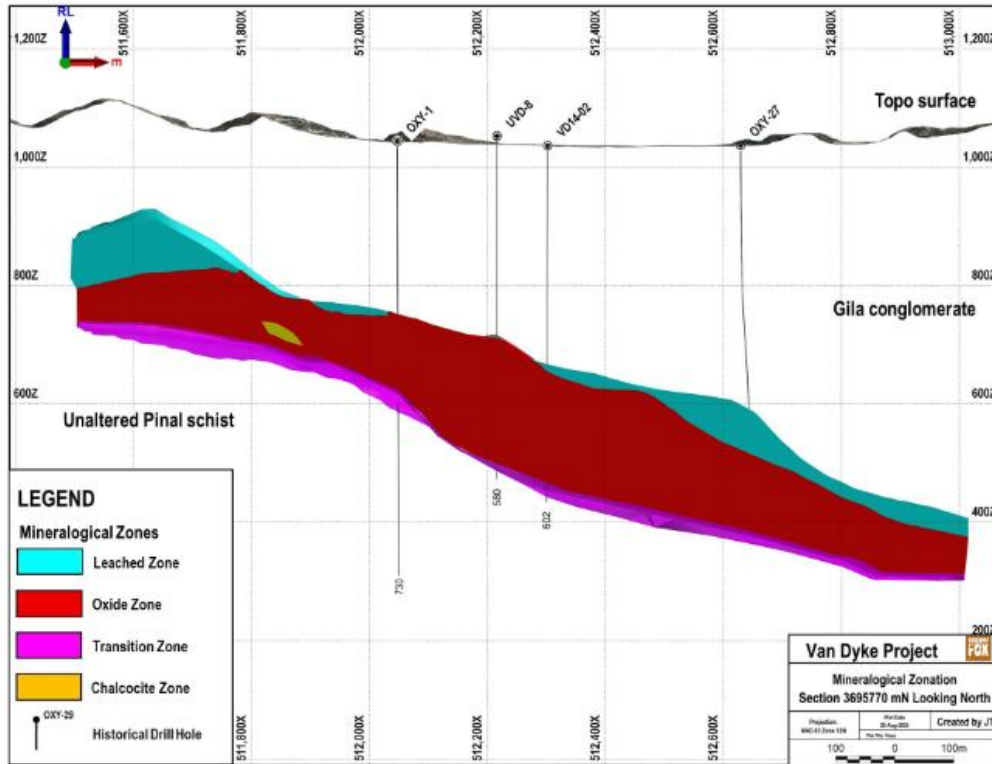


Source: HoldCo Markets Inc.

MINERALOGICAL DOMAINS & GAP ANALYSIS

The mineralogical domains identified in the Van Dyke deposit have shown to be consistent with the general description of "Supergene" copper deposits. At Van Dyke, the oxide and transition zones remain as the main zones of interest. Below the transition/chalcocite zones the mineralization, where present, consists of sporadic concentrations of chalcopyrite and pyrite.

Metallurgical testwork at Van Dyke consists of 8 pressure leach tests (PRT) on whole core samples in 2014 and, 65 bottle roll leach tests (BRT) in 2023 from selected drillholes located within the Phase I leaching plan (years 1-7) set out in the 2020 PEA. Data gaps in the metallurgical database represent potential risk of variability in copper extraction and recovery. The metallurgical testwork completed on similar deposits in Arizona was used to benchmark mineral characterization, process route selection and assessing processing risks for the Van Dyke project. The data from these tests were correlated spatially to the 2020 resource block model and the mineralogical domains identified within the Van Dyke deposit. Identification of the data gaps allows for pre-selection of representative sample locations within the mineralogical domains from future drillholes to support an updated geometallurgical model.

Exhibit 2. Van Dyke Mineralogical Zones & Description


Mineralogical Zone	Description
Leached	Contains variable concentrations of clays and iron-oxides (limonite-hematite-goethite-jarosite). May contain trace concentrations of copper oxide minerals. Typically contains less than 200ppm total copper (TCu).
Oxide	Contains variable concentrations of azurite, malachite, and chrysocolla with lesser concentrations of cuprite and native copper. Contains greater than 250ppm acid soluble copper (ASCu) and very low concentrations of cyanide soluble copper (CNCu).
Transition	Contains variable concentrations of acid soluble and cyanide soluble copper minerals with gradual transition at depth from ASCu to more CNCu.
Chalcocite	Contains CNCu concentrations greater than 0.1%. CNCu concentration is typically three times higher than ASCu concentrations.

Source: Copper Fox Metals Inc.

BUILDING UPON THE 2020 PRELIMINARY ECONOMIC ASSESSMENT (PEA)

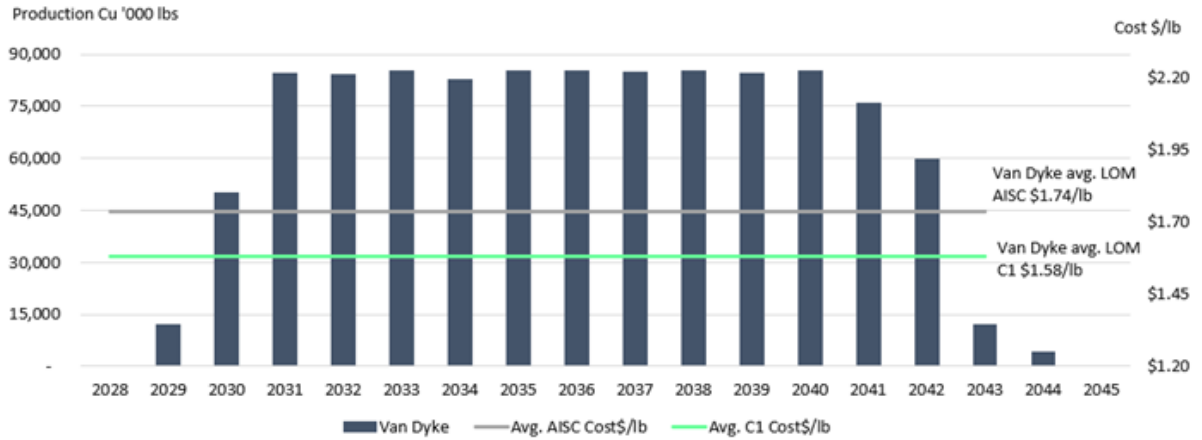
In terms of economics, recall that a 2020 Van Dyke PEA used a LT copper price of \$3.15 per lb and estimated a project LOM of 17 years. The economic analysis included allowances for capital, operating, sustaining, royalties, reclamation, and closure costs. The initial capital cost was estimated at \$290.5M, compared to the \$204.4M as estimated in a previous 2015 PEA. Given the parameters, the after-tax NPV^{7.5%} and IRRs went from \$149.5M and 27.9% in 2015 to \$644.7M and 43.4% in 2020. Though from 2020, the PEA estimates are largely in line with some of the more advanced ISR projects in Arizona (mainly, Florence).

Exhibit 3. Arizona Based Projects – Van Dyke & Peer Analysis

CUU - Van Dyke	Base Case	CUU - Van Dyke	Base Case	CUU - Van Dyke	Base Case	
2015 PEA	\$3.00/lb LT	2020 PEA	\$3.15/lb LT	\$3.50/lb LT	HCM Estimates	\$4.50/lb LT
NPV8.0% after tax	\$149.5M	NPV7.5% after tax	\$644.7M	\$778.0M	NPV8.0% after tax	\$747.2M
IRR after tax	28%	IRR after tax	43%	49%	IRR after tax	35%
Capex	\$204.4M	Capex	\$290.5M		Capex	\$335.0M
Sustaining	\$68.5M	Sustaining	\$75.5M		Sustaining	\$130.0M
LOM C1/lb	\$1.08	LOM C1/lb	\$0.86		LOM C1/lb	\$1.58
LOM Production:	457M lbs Cu over 11 years	LOM Production:	1.10B lbs Cu over 17 years		LOM Production:	1.05B lbs Cu over 16 years
						Copper Fox Van Dyke ISR
TKO - Florence	Base Case	ASCU - Cactus	Base Case	GCU - Gunnison	Base Case	
2023 Tech report	\$3.75/lb LT	2024 PEA	\$3.90/lb LT	\$4.50/lb LT	2024 PEA	\$4.12/lb LT
NPV8% after tax	\$930M	NPV8% after tax	\$2,032M	\$2,927M	NPV8% after tax	\$1,259M
IRR after tax	47%	IRR after tax	24%	30%	IRR after tax	21%
Capex	\$232M	Capex	\$668M		Capex	\$1,342.6M
Sustaining	\$925M	Sustaining	\$1,169M		Sustaining	\$876.1M
LOM C1/lb	\$1.11	LOM C1/lb	\$1.75		LOM C1/lb	\$1.69
LOM Production:	1.9B lbs Cu over 22 years	LOM Production:	5.3B lbs Cu over 31 years		LOM Production:	2.71B lbs Cu over 18 years
						Arizona SX/EW: ISR or Heap Leach Projects
FDY - Copper Creek	Base Case	IE - Santa Cruz	Base Case	HBM - Copper World (Phase 1)		
2023 PEA	\$3.80/lb LT	2023 PEA	\$3.80/lb LT	2023 PFS	\$3.75/lb LT	\$4.25/lb LT
NPV7% after tax	\$713M	NPV8% after tax	\$1,316M	NPV8% after tax	\$1,100M	\$1,700M
IRR after tax	16%	IRR after tax	23%	IRR after tax	19%	26%
Capex	\$797.9M	Capex	\$1,150.0M	Capex	\$1,300.0M	
Sustaining	\$68.8M	Sustaining	\$462.8M	Sustaining	\$1.47	
LOM C1/lb	\$1.67	LOM C1/lb	\$1.36	LOM C1/lb	-	
LOM Production:	3.36B lbs Cu over 31.7 years	LOM Production:	1.587M tonnes Cu over 20 years	LOM Production:	1.6Mt Cu over 20 years	
						Arizona Open Pit or Underground Projects

Source: Holdco Markets Inc., Company reports

As per our estimates for Van Dyke, we acknowledge the inflationary environment which certainly since the 2020 PEA has increased materially. Cost inflation since the 2020 PEA will certainly impact everything from labor to procurement of materials to contracting. Its worth noting that using Taseko's Florence ISR project as a guide (a Technical Report was published in 2023), we've seen that as construction has progressed, costs have been relatively accurate while timelines have not shifted - initial ISR production from Florence is still expected by Q4/2025. That said, we model a 16 year LOM operation at Van Dyke with a total of 1.05B lbs of copper being produced (average of 66M lbs Cu per year with peak production near 85M lbs per year). As per economics, we use a \$4.50 per lb LT copper price and a \$1.58 per lb C1 cash cost. Ultimately, estimating initial capex at \$335M we calculate an after-tax NPV^{8%} of \$747.2M and an after-tax IRR of 34.6%.

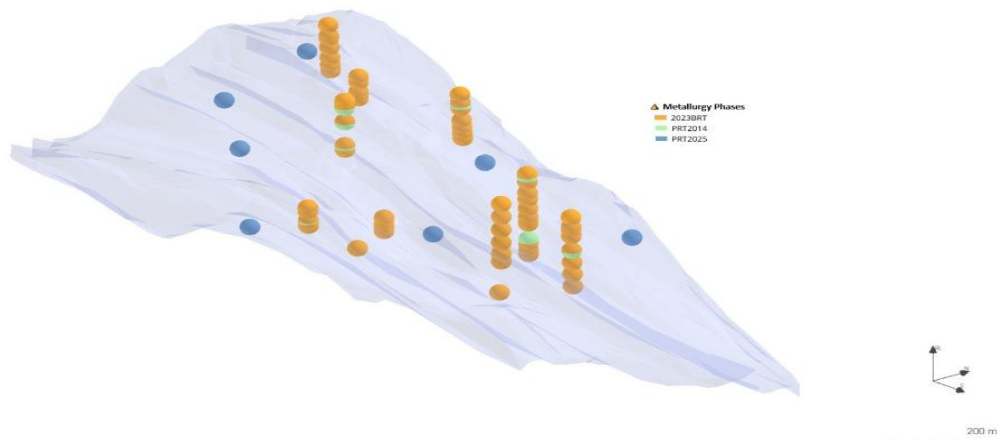
Exhibit 4. Van Dyke Historic PEA Estimates & HCM Production/Economic Estimates


	Base Case		Base Case		Base Case
2015 PEA	\$3.00/lb LT	2020 PEA	\$3.15/lb LT	\$3.50/lb LT	HCM Estimates
NPV8.0% after tax	\$149.5M	NPV7.5% after tax	\$644.7M	\$778.0M	NPV8.0% after tax
IRR after tax	28%	IRR after tax	43%	49%	IRR after tax
Capex	\$204.4M	Capex	\$290.5M		Capex
Sustaining	\$68.5M	Sustaining	\$75.5M		Sustaining
LOM C1/lb	\$1.08	LOM C1/lb	\$0.86		LOM C1/lb
LOM Production: 457M lbs Cu over 11 years		LOM Production:	1.10B lbs Cu over 17 years		LOM Production:
					1.05B lbs Cu over 16 years

Source: Copper Fox Metals Inc., HoldCo Markets Inc. estimates

FUTURE TESTWORK RECOMMENDATIONS

Recommendations for additional metallurgical test work include using whole drill core samples to characterize the mineralization, identify mineralogy, BRT and corresponding PRT tests to establish correlation between the two tests, and their associated residue assays to evaluate/confirm optimum acid addition and consumption, leach cycle duration, and predicted copper extraction.

Exhibit 5. Van Dyke Deposit With Recommended Metallurgical Test Sample Locations


Source: Copper Fox Metals Inc.

The closed-cycle PRT tests should include solvent extraction of the pregnant leach solution and detailed mineralogical studies on head samples as well as leach residues for each test. The quantification of carbonates and clays should be performed on head samples. As seen in exhibit 5 above, blue = proposed metallurgical samples; Orange = 2023 BRTs; Green = 2014 PRTs.

CONCLUSION & VALUATION

We're glad to see that work is advancing simultaneously on all projects as management has previously emphasized a systematic approach for each, in an effort to advance and de-risk, while also in an effort to allocate capital efficiently. Ultimately, results from the PGM provide greater certainty on the metallurgical variability across the van Dyke deposit. As progress continues to be made at Van Dyke, we note that critical to the de-risking of the asset, the PGM is an important component of the Execution Plan to map out the scope, timing and estimated cost of studies required to meet the threshold of a Pre-Feasibility (PFS) level study. These latest metallurgical results allow for an update to the current PGM. Given this data, the metallurgists will now be in a position to determine if additional sampling would be required to meet the threshold for a PFS level of investigation/study. Given the most recent close (August 28), shares of Copper Fox currently trade at a 0.12x P/NAV valuation, or at C\$0.02 per booked CuEq lbs. We maintain our C\$0.60 per share price objective.

Exhibit 6. NAV, Sensitivities and Valuation

	Discount	Value (C\$M)	\$ Per Share	% of NAV
Van Dyke (100%)	8.0%	\$1,046.2	\$1.82	76%
Schaft Creek (25%)	2021 PEA*	\$294.7	\$0.51	21%
Other Assets (Sombrero Butte, Eaglehead, MM)		\$30.0	\$0.05	2%
Total Mining Assets		\$1,371.0	\$2.38	100%
Cash & ST Investments	Apr. 2025	\$1.0	\$0.00	0%
Current Debt	Apr. 2025	-\$0.2	\$0.00	0%
LT Debt	Apr. 2025	-\$0.8	\$0.00	0%
ITM Options/Warrants		\$0.0	\$0.00	0%
		\$0.0	\$0.00	
Net Asset Value		\$1,370.9	\$2.38	
P/NAV			0.12x	
Current Share Price			\$0.30	
Price Objective (0.25x NAV^{8%})			\$0.60	

\$USD/\$CAD \$1.40

* \$3.25/lb copper & \$1,500/oz gold, NPV^{8%}

	Pre-Tax VanDyke Contribution to NAVPS:					Post-Tax VanDyke Contribution to NAVPS:				
	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50	\$3.50	\$4.00	\$4.50	\$5.00	\$5.50
6%	\$1.60	\$2.27	\$2.95	\$3.62	\$4.29	\$1.29	\$1.79	\$2.29	\$2.79	\$3.29
7%	\$1.41	\$2.02	\$2.63	\$3.24	\$3.85	\$1.14	\$1.59	\$2.04	\$2.49	\$2.95
8%	\$1.24	\$1.80	\$2.35	\$2.91	\$3.47	\$1.00	\$1.41	\$1.82	\$2.23	\$2.64
9%	\$1.09	\$1.60	\$2.11	\$2.61	\$3.12	\$0.87	\$1.25	\$1.62	\$2.00	\$2.37
10%	\$0.96	\$1.42	\$1.89	\$2.35	\$2.81	\$0.76	\$1.10	\$1.45	\$1.79	\$2.13

Source: HoldCo Markets Inc.

Given the most recent close, shares of Copper Fox trade at attractive levels versus peers: at a 0.12x P/NAV valuation and at an EV of C\$0.02 per booked CuEq lbs. Our price objective equates to upside of +103% from the most recent close. For more specific information on all the company assets, refer to our June 18, 2025 initiation of coverage piece.

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