

# Copper Fox Metals Inc. Announces First Quarter Results

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VANCOUVER, April 20, 2012 /CNW/ - [Copper Fox Metals Inc.](#) ('Copper Fox' or the 'Company') is pleased to announce its first quarter 2012 operating and financial results. The Company is working toward completing an Environmental Assessment Application, an updated National Instrument 43-101 compliant Resource Estimate and completion of a Feasibility Study of the Schaft Creek Mineral Deposit. Copper Fox incurred a net loss for the first quarter of \$554,254 (\$0.00 loss per share) and incurred \$3,290,267 in expenditures toward furthering the development of the Schaft Creek project. Copies of the financial statements, notes and related management discussion and analysis may be obtained on SEDAR at [www.sedar.com](http://www.sedar.com), the Company web site at [www.copperfoxmetals.com](http://www.copperfoxmetals.com) or by contacting the Company directly. All amounts are in Canadian dollars unless otherwise stated.

## Highlights:

### Drilling Program

During the quarter, the Company announced the final assay results from the 2011 drill program and recently completed metallurgical testwork on the Paramount zone of the Schaft Creek deposit. The interpretation that the Schaft Creek Mineral Resource could host other deposits is strongly supported by the mineralization in DDH CF422-2011, which represents the 'discovery' of a new zone of mineralization on the Schaft Creek Project. Although a considerable amount of drilling is required to delineate and determine the significance of this discovery, the continuity of the mineralization and its location on the western edge of a large strong chargeability anomaly suggests this zone could host a large zone of mineralization. This discovery not only marks a significant milestone in understanding the mineral potential of the Schaft Creek project, it also lends support to the interpretation that the other untested chargeability anomalies could represent additional zones of mineralization. The drilling completed toward the end of the 2011 program between the Paramount and Liard zones demonstrated the continuity of the mineralization along strike and at depth.

### Resource Estimate

Preparation of an updated Resource Estimate for the Paramount and Liard zones is currently underway. The Resource Estimate is being performed by Tetra Tech Wardrop (Tetra Tech) and will include all assay results for the diamond drill holes completed in the Paramount and Liard zones at Schaft Creek during the 2011 program. The updated Resource Estimate will be included in the Feasibility Study. The 2011 assay results are expected to have a positive impact on the average grade and size of the Paramount zone. Additionally Copper Fox has asked Tetra Tech to review the data related to the silver content of the mineralization in both zones for inclusion in the updated Resource Estimate.

### Feasibility Study - Mining Plan

Copper Fox was advised by Tetra Tech that due to manpower shortages and scheduling difficulties of staff the March 31(st) timeline for completion of the Feasibility Study would not be achieved. The delay in completing the Mine Plan, the most critical component in the Feasibility Study, has delayed the completion of the Feasibility Study. The detailed mine plan is required to provide daily information such as productivity, delivery schedules and operating costs to allow completion of the economic analysis and sensitivity of the Schaft Creek Project for the Feasibility Study. Other portions of the Feasibility Study are in progress and will be incorporated into the Feasibility Study on completion. It is expected that completion of the Feasibility Study will be delayed until mid-late summer 2012.

### Future Operations

Copper Fox plans to complete the Feasibility Study as soon as possible with an expected completion in mid-late summer 2012. Copper Fox plans to complete an updated Resource Estimate to incorporate the analytical results of the 2011 drilling program. This work will not affect the Feasibility Study's expected

completion date.

The focus for Copper Fox at Schaft Creek during 2012 will be to:

- a) Complete the Feasibility Study and Environmental Assessment Application on the Schaft Creek deposit;
- b) Complete an updated current mineral Resource Estimation on the Paramount and Liard zones to be included in the 2011 results; and
- c) Complete the 2012 program which will incorporate the recommendations of the updated Resource Estimate, diamond drill test the other exploration targets and assess the regional mineral potential of the mineral claims acquired by Copper Fox in 2012.

## Property Acquisitions

Subsequent to the quarter ended January 31, 2012, the Company acquired two groups of mineral tenures. The first group of approximately 4,741 hectares (24 mineral tenures) is contiguous to the north and south of the Schaft Creek project. The second group of approximately 700 hectares (2 mineral tenures) is located in the Mess Creek area.

## Mineral Properties

During the first quarter of October 31, 2009, the Company wrote down the carrying value of its mineral property by \$31 million based on the implied fair value of a proposed board approved transaction which was subsequently terminated due to non-performance by the other party. As at November 1, 2010, there were significant increases in the market value of the Company when compared to the first quarter of October 31, 2009. The Company considered this to be an indicator of impairment reversal for its mineral properties. Based on this assessment, the Company determined that \$31 million of previous impairment should be reversed.

## Financial

During the quarter ended January 31, 2012 the Company received \$6,239,000 in proceeds from a private placement and the exercise of options, repaid a shareholder loan of \$1,400,000 by issuing 1,272,727 common shares and incurred an additional \$3,290,267 of capital expenditures related to the Schaft Creek project.

## Selected Financial Results

		Net Loss	Net (loss)/income per share - basic and diluted
2012			
First Quarter	\$	(554,254)	\$ 0.00
2011			
Fourth Quarter	\$	(1,018,883)	\$ (0.01)
Third Quarter	\$	(504,862)	\$ 0.00
Second Quarter	\$	(2,380,574)	\$ (0.01)
First Quarter	\$	(726,833)	\$ 0.00

## Liquidity and Capital Resources

Copper Fox operates in a capital intensive industry in which the demands for capital to finance exploration and development of its Schaft Creek property as well as corporate overheads generally occur far in advance of the project being put into production and generating cash flow. The financial requirements of Copper Fox related to development of the Schaft Creek project are mitigated to some extent by the obligations of Teck should they exercise their earn back right on the Schaft Creek property (see Teck Earn Back Option). Since

2005, Copper Fox has incurred \$74.8 million to January 31, 2012 in qualifying expenditures as per the Option Agreement with Teck to collect the information required to complete the Feasibility Study on the Schaft Creek deposit.

At January 31, 2012, the Company had a working capital of \$2,021,736 and a deficit of \$14,567,593 and had incurred a net loss of \$554,254 for the three months ended January 31, 2012. During the quarter ended January 31, 2012 the Company received \$6,239,000 in proceeds on private placements and the exercise of options. While these funds may be sufficient to complete the current planned activities, the Company may need additional equity in order to develop the property (see Teck Earn Back Option).

## About Copper Fox

Copper Fox is a Canadian-based resource development company listed on the TSX-Venture Exchange

with a corporate office in Calgary and an operations office in Vancouver and is involved in the exploration and development of the Schaft Creek copper-molybdenum-gold-silver deposit located in northwest British Columbia, Canada.

The Company is working on completing a Feasibility Study on the Schaft Creek Mineral Deposit, one of the largest undeveloped copper, gold, molybdenum and silver deposits in North America. The feasibility study is being led by Tetra Tech Wardrop on a minimum 120,000 tpd open pit mine and is expected to be completed mid-late summer, 2012.

Copper Fox holds title and a 100% working interest in the Schaft Creek project consisting of 39,507.67 hectares (97,626 acres). Included in this total are the 'Schedule A' mineral tenures (8,334.34 hectares (20,594 acres) originally conveyed to Copper Fox pursuant to the 2002 Option Agreement. The 'Schedule A' mineral tenures are subject to a 3.5% Net Profits Interest held by Royal Gold, Inc., a 30% carried Net Proceeds Interest held by Liard Copper Mines Limited ('Liard') and an earn back option held by [Teck Resources Limited](#) ('Teck'). On completion of the Feasibility Study, Copper Fox will earn Teck's 78% interest in Liard. Teck's earn back option to acquire either, 20%, 40% or 75%, of Copper Fox's interest in the Schaft Creek property is triggered upon delivery of a positive Feasibility Study to Teck. Should Teck elect to exercise its option for 75%, they are required to fund subsequent property expenditures up to a total of 400% of those incurred by Copper Fox (\$74.8 million to January 31, 2012) and arrange for project financing, including the Copper Fox portion. For full details of the Teck earn back option please refer to the Company's website [www.copperfoxmetals.com](http://www.copperfoxmetals.com).

The remainder of the mineral tenures totaling 31,173.32 hectares (77,031 acres) have been obtained by Copper Fox through mineral tenure acquisitions and mineral tenure purchase agreements. Some of these mineral tenures are subject to inclusion within the Schaft Creek project under the terms of the Area of Interest provisions of the Option Agreement.

On behalf of the Board of Directors

Elmer B. Stewart  
President & Chief Executive Officer

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

## Cautionary Note Regarding Forward-Looking Information

*This news release contains 'forward-looking information' within the meaning of the Canadian securities laws. Forward-looking information is generally identifiable by use of the words 'believes,' 'may,' 'plans,' 'will,' 'anticipates,' 'intends,' 'budgets,' 'could,' 'estimates,' 'expects,' 'forecasts,' 'projects' and similar expressions, and the negative of such expressions. Forward-looking information in this news release includes statements about the completion of an Environmental Assessment Application, the completion of an updated National Instrument 43-101 compliant Resource Estimate; the timing of and completion of a Feasibility Study; the possibility that Schaft Creek hosts other deposits, and the size of such deposits, as suggested by the mineralization in DDHCF422-2001; untested chargeability anomalies representing additional zones of mineralization; the impact of the 20111 assay results on the average grade and size of the Paramount zone; the review by Tetra Tech of the silver content of the mineralization in the Paramount and Liard zones for*

*inclusion in the updated resource estimate; diamond drill testing on other exploration targets; the regional mineral potential of the mineral claims acquired by Copper Fox in 2012; Copper Fox's belief that it will be able to raise the capital required to continue its operations and objectives through the continued exercise of its outstanding options and warrants or through the public market; the completion of a detailed mine plan by Tetra Tech; a Resource Estimate update by Tetra Tech; the chargeability anomalies at the Schaft Creek project; the scope and timing of work on the outstanding sections of the feasibility study; the potential to find additional porphyry style copper deposits within the Schaft Creek property; expected capital requirements to continue planned activities; expected sources and the adequacy of required capital resources; the timing and scope of expected diamond drilling; potential existence and size of mineralization within the Schaft Creek project; estimated timing and amounts of future expenditures and 'earn-back' options; geological interpretations and potential mineral recovery processes. Information concerning mineral reserve and resource estimates also may be deemed to be forward-looking information in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined.*

*In connection with the forward-looking information contained in this news release, Copper Fox has made numerous assumptions, regarding, among other things: the potential mineralization in the Schaft Creek deposit; the geological, metallurgical, engineering, financial and economic advice that Copper Fox has received is reliable, and is based upon practices and methodologies which are consistent with industry standards; the continued financing of the Feasibility Study and Copper Fox' operations; the anticipated analytical results of the current drilling and metallurgical testing programs.. While Copper Fox considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies. Additionally, there are known and unknown risk factors which could cause Copper Fox's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: the actual mineralization in the Schaft Creek deposit may not be as favourable as suggested; another deposit may never be discovered on Copper Fox's property, or contain anticipated mineralization, or mineralization of any significance at all; a detailed mine plan may not be completed in a timely manner, or at all; the Feasibility Study may not be completed within the contemplated time frame, or at all; the Environmental Assessment Application may not be completed in a timely manner, or at all; an updated Resource Estimate may not be obtained in a timely manner, or at all; the mineralization in DDHCF422-2011 may not support actual mineralization at Schaft Creek project that is of any benefit to Copper Fox; other untested chargeability anomalies may not represent any additional zones of mineralization; the newly acquired mineral tenures may not contain any significant mineralization or be of any benefit to Copper Fox; the 2011 assay result may not have a positive impact on the average grade and size of the Paramount zone deposit; the silver mineralization in the Paramount and Liard zones may not be included in the updated resource estimate; the possibility that future drilling on the Schaft Creek project may not occur on a timely basis, or at all; fluctuations in copper, the completed drill holes for which analytical results are not available may not return significant concentrations of either copper, gold, molybdenum or silver; commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of the metallurgical testwork, the uncertainty of the estimates of capital and operating costs, recovery rates, and estimated economic return; Copper Fox may not be able obtain additional financing to continue its operations and develop its properties; the uncertainty as to the availability and terms of future financings; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals.*

*A more complete discussion of the risks and uncertainties facing Copper Fox is disclosed in Copper Fox's continuous disclosure filings with Canadian securities regulatory authorities at [www.sedar.com](http://www.sedar.com). All forward-looking information herein is qualified in its entirety by this cautionary statement, and Copper Fox disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.*

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