Copper Fox Announces Significant Increased Valuation on the Van Dyke Copper Deposit

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Pre-tax NPV $US798.6M and IRR of 48.4%; Post-tax NPV $US644.7M and IRR of 43.4%

Calgary, January 13, 2021 - Copper Fox Metals Inc. (TSXV: CUU) (OTC Pink: CPFXF) ('Copper Fox' or the 'Company'), through its wholly owned subsidiary Desert Fox Copper Inc., ("Desert Fox") is pleased to announce robust results from an external, independent Preliminary Economic Assessment ("PEA") prepared in accordance with National Instrument 43-101 ("NI 43-101") for its 100% owned Van Dyke In-Situ Copper Recovery ("ISCR") project located in Miami, Arizona. The PEA was prepared under the direction of Moose Mountain Technical Services with an effective date of December 30, 2020. All dollar amounts are expressed in US dollars, unless otherwise noted.

PEA Highlights: (Based on $US3.15/lb copper)

- Base case pre-tax Net Present Value$_{7.5\%}$ ("NPV") of $US798.6 million ("M"), Internal Rate of Return ("IRR") of 48.4%, and payback period of 2.0 years.
- Base case post-tax NPV$_{7.5\%}$ of $US644.7M, an IRR of 43.4%, and payback period of 2.1 years.
- Life of mine ("LOM") copper production of 1.1 billion pounds ("lbs") with peak production of 85Mlbs annually in years 2-12 inclusive, declining thereafter.
- Initial capital expenditure of $US290.5M, including a 30% contingency.
- LOM direct operating cost of $US0.71/lb and sustaining costs of $US0.07/lb.
- Cumulative net free cash flow of $US1.757 billion pre-tax and $US1.436 billion post-tax.
- Mine life 17 years.
- C1 cost per pound copper is $US0.98, AISC per pound copper is $US1.14.

* C1 and AISC are Non-GAAP and IFRS measures, see Note 1 in Life of Mine Comparison table

The results of the PEA are preliminary in nature. The PEA includes a combination of indicated and inferred mineral resources which are considered too speculative geologically to have the economic considerations applied that would enable them to be categorized as mineral reserves. There is no certainty that the PEA forecasts will be realized or that any of the resources will ever be upgraded to reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mr. Elmer Stewart, President and CEO, said, "The significant increase in valuation over that obtained in the 2015 PEA is a function of the 2020 resource estimate, a better understanding of metallurgical and geological characteristics of the deposit and adopting a phased approach to project development. These results combined with the exploration potential suggests that, with positive results from additional drilling and engineering studies, Van Dyke has the potential to become a significant project in the mid-size copper development space. Achieving this milestone is a significant value add to Copper Fox, and is expected to complement the results of the PEA which is currently in progress at Schaft Creek, in determining the strategy to maximize shareholder value."

Summary of Base Case Economic Results:

Results of the 2020 PEA are summarized below, along with a comparison to the Company's PEA conducted with respect to the Van Dyke project in 2015 (see News Releases dated November 25, 2015 and December 24, 2015) (the "2015 PEA"):

Life of Mine Comparison between 2015 and 2020 PEAs

		Base Case	
Production and Cost Summary	Units	2015 PEA	2020 PEA
Life of Mine (LOM)	years	11	17
Copper Cathode Sold	Million lbs.	456.9	1,101.0
Copper Price	$US/lb	3.00	3.15
Gross Revenue	M$US	1,370.0	3,468.3
Royalties	M$US	31.5	82.5
Total Cash Costs	M$US	550.2	1,075.8
Total Cash Costs ($/lb recovered copper)	$US/lb copper	1.20	0.98
C1 Cash Costs ($/lb recovered copper)*	$US/lb copper	1.08	0.86
Sustaining Costs ($/lb recovered copper)	$US/lb copper	0.15	0.07
All In Sustaining Cost (AISC)**	$US/lb copper	1.36	1.14
Initial Capital Costs (includes contingency)	M$US	204.4	290.5
Taxes	M$US	110.9	321.0
Cashflow Parameters and Outputs			
Discount Rate	%	8.0%	7.5%
Pre-tax Net Free Cash Flow	M$US	453.1	1,757.3
Pre-tax NPV	M$US	213.1	798.6
Pre-tax IRR	%	35.5%	48.4%
Pre-tax Payback	years	2.3	2.0
Post-tax Net Free Cash Flow	M$US	342.2	1,436.3
Post-tax NPV	M$US	149.5	644.7
Post-tax IRR	%	27.9%	43.4%
Post-tax Payback	years	2.9	2.1

* includes Mining, Processing, Site Services, G&A, Transportation, and Royalty Costs
** includes Total Cash Cost, Sustaining Capital, Royalty Costs, Severance Taxes

lbs=pounds, M$US=million United States dollars, numbers are rounded

1. C1 and AISC costs are non-GAAP financial measures which do not have standardized meanings prescribed by International Financial Reporting Standards (IFRS). These measures are meant to provide further information to investors and should not be considered in isolation or used as a substitute for other measures of performance prepared in accordance with IFRS.

Mineral Resources:

The effective date of the mineral resource used in the PEA is January 9, 2020 (see News Release dated May 5, 2020). The Base Case indicated and inferred mineral resources at a 0.025% recoverable copper ("RecCu") cut-off are reported within both a 0.025% RecCu grade shell and a "reasonable prospects for eventual economic extraction" shape which includes internal dilution or all "must take" material within the confining shape (see News Release dated March 25, 2020). Because ISCR is a non-selective mining method, grade bins (different cut-off grades) are not considered applicable for the Van Dyke deposit and have not been applied. The Base Case used cut-off is considered appropriate for the extraction of copper by in-situ leaching. There are no known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other factors that could materially affect the resource estimate used in the cash flow analysis.

Mineral Resource Estimate within Potentially Economic Confining Shape (Sue Bird, P.Eng.)

Category	Tonnes (000)	TCu(%)	ASCu(%)	CNCu(%)	Rec(%)	Rec.Cu(%)	TCu(Mlbs)	Rec.Cu(Mlbs)
Indicated	97,600	0.33	0.23	0.04	90	0.24	717	517
Inferred	168,026	0.27	0.17	0.04	90	0.17	1,007	699

TCu=total copper, ASCu=acid soluble copper, CNCu=cyanide soluble copper, Rec.Cu=recoverable copper, (%)=percentage, Mlbs=Million pounds

1. The reasonable prospects for eventual "economic extraction" shape has been created based on a copper price of $US2.80/lb, employment of in-situ leaching extraction methods, processing costs of $US0.60/lb copper, all in operating and sustaining costs of $US1.25/tonne, a recovery of 90% for total soluble copper and average specific gravity of 2.6t/m3.
2. Approximate drill hole spacing is 80m for indicated resources.
3. The average dip of the deposit within the Indicated and Inferred mineral resource outlines is 20 degrees. Vertical thickness of the mineralized envelope ranges from 40m to over 200m.
4. Numbers may not add due to rounding.

Mineral Resources that are not mineral reserves do not have demonstrated economic viability.

Project Description:

The project consists of 531.5 hectares (1,312.8 acres) of mineral rights and 5.75 hectares (14.02 acres) of surface rights and is subject to a 2.5% gross royalty on revenue. The Miami, Arizona area hosts several heap leach copper mines with road access, electrical power, experienced labour, supply centers and industrial service providers.

Underground Development:

The 2020 PEA confirmed that the most cost-effective method to develop the wellfield is by way of a ramp from surface to the mineralized zone. Stage 1 includes an access ramp to the top of the deposit and a decline following the Gila/Pinal Schist contact to access the higher-grade portions of the deposit. Stage 2 is expected to commence toward the end of Stage 1 to access the lower grade portion of the deposit. The main components of the underground development are shown below.

Excavation Type	Qty	Length (m)	Dimensions	Shape	Total Length (m)
Main Access Ramp to Portal	1	1,456	4.6m W x 4.6m H	Arch (wall 3.1m)	1,456
Vents/ Access from Ramp to Van Dyke shaft	2	15	3.6m W x 3.6 m H	Flat	30
Phase 1 Decline	1	1,141	4.6m W x 4.6m H	Arch (wall 3.1m)	1,141
Phase 1 Vent/Egress Decline	1	216	3.6m W x 3.6 m H	Flat	216
Vent/Egress Raise	1	401	3.0m dia	Bore	401
Galleries	10	74	6.1m W x 6.1m H	Arch (wall 4.6m)	740
Phase 1 Total Excavation					3,984
Phase 2 Decline	1	1,173	4.6m W x 4.6m H	Arch (wall 3.1m)	1,173
Phase 2 Vent/Egress way	1	23	2.0 m x 2.0 m	Flat	23
Galleries	14	54	6.1m W x 6.1m H	Arch (wall 4.6m)	756
Phase 2 Total Excavation					1,952
Combined Total Excavation					5,936

Underground development will be completed using conventional drill and blast tunneling techniques by mining contractors with appropriate ground support as required. Phase 1 of the underground development is contemplated to be completed during the pre-production phase. The mine plan is estimated to produce roughly 190,000 cubic meters of waste rock from the underground development that will be stored in a valley directly adjacent to the portal on land owned by Desert Fox.

Well Field Design/Copper Recovery Plan:

The copper recovery circuit has been designed to establish a closed system for fluid injection and recovery using a fan pattern wellfield array to recover soluble copper. In this configuration, angled wells are advanced from underground galleries with an average well spacing of 21 meters ("m") between recovery holes within the deposit. The ratio of recovery wells to injection wells is 4:1 per array with an overall ratio of 1:1 with an estimated 1,925 injection and recovery wells required LOM.

Copper Extraction and Acid Consumption:

Chrysocolla, malachite, and azurite (all 100% soluble) are the most abundant copper minerals in the Van

Dyke deposit, with secondary copper minerals being chalcocite and native copper. An overall 76% Cu recovery (including Plant Efficiency of 95% and Pre-conditioning of the mineralized zone to ensure a high sweep efficiency) was used in the PEA. Leaching is carried out using a weak (5gram/liter) solution of sulphuric acid over a 5-year period. Acid consumption is estimated to be approximately 1.5lb acid/lb copper produced based on the current testing and historical leach test results.

Forecasted Copper Production:

The Base Case contemplates 85Mlbs/year (similar in scale to Taseko's Florence ISCR project) of Grade "A" copper cathode production that includes an initial ramp up year (yr. 1) at 60% of production capacity and a three-year (yrs. 14-17) ramp down period with reduced annual production at the end of mine life. Mine life is estimated to be 17 years.

The Pregnant Leach Solution ("PLS") recovered from the wellfield is pumped to the PLS retention pond on surface and then to the Solvent Extraction Electrowinning ("SX-EW") facilities for copper recovery. Reagents are added to the solution from the SX-EW plant to bring the solution to required operating concentrations and is then recycled back to the wellfield. No deleterious elements in the PLS were identified during the pressure leach tests conducted by Copper Fox.

Infrastructure:

The project is located within the town limits of Miami, Arizona with sewer, water, communications, and powerlines available. The administration, maintenance, warehouse facilities, the SX-EW facilities and truck scale are sited to take advantage of local topography, accommodate environmental considerations, and ensure efficient operations. The processing facilities include:

- Solvent extraction plant
- Electrowinning tank house and tank farm for auxiliary vessels
- Solution ponds to handle: PLS, raffinate, process water, emergency pond
- Water treatment plant
- Ancillary facilities including warehouse and maintenance shop
- Administration offices

The ISCR operation is expected to operate with a net water surplus, however, if water is needed to support operations, it will be sourced from groundwater in the alluvium unit which supplied water to historic leach operations.

Cost Estimates:

Initial Capital, Operating and Sustaining Costs are based on comparable projects in Arizona and quotes from suppliers where available. When information from comparable projects or from suppliers was not available; industry standard inflation factors were applied where necessary.

Initial Capital Costs (presented below) are defined as all costs incurred until commencement of copper production, including pre-production operating costs. The Initial Capital Cost estimates are based on new construction costs and consists of direct and indirect cost factors. Factored estimates are used for Codes A, D, E, and all indirect costs. For Codes B and C, detailed estimates are used.

Capital Estimate Summary

WBS Code	Description	Cost ($US 000s)
A	General Site	11,440
B	ISL Well Field	6,035
C	Underground Mining	49,676
D	Processing	62,225
E	Buildings and Facilities	9,750
PP	Pre-Production Operating Costs*	22,287
Total Direct Costs		161,413

X	Indirect Costs	48,827
Y	Owner's Costs	23,913
Total Indirect Costs		72,740
Z	Contingency (30% of Direct and Indirect))	56,386
Total Capital Cost		290,539

*Indirects, Owner's Costs, or Contingency is not applied to Pre-Production Operating costs.

Contingency is included to cover undefined items of work within the scope of the project and is set at 30% of direct and indirect costs.

Indirect Costs:

Indirect Costs are calculated as a percentage of Initial Capital Costs and captures charges that construction contractors might apply or include in their rates. The factors and estimated Indirect Costs are shown below

Indirect Categories and Factors	
Construction Indirects - % of Direct Costs	15%
Spares - % of Processing Costs	5%
Initial Fills - % of Processing Costs	0%
Freight and Logistic - % of Direct Costs	5%
Commissioning and Pre-operational Start-up	Allowance
EPCM - % of Direct Costs	10%
Vendors	Allowance
Taxes and Duties	3%

Sustaining Capital Costs:

Sustaining Capital Costs are all capital expenditures incurred after commencement of copper production required to maintain annual copper production. Construction of a water treatment facility are included in the LOM Sustaining costs outlined below:

Sustaining Capital Estimate Summary

WBS Code	Description	COST ($US 000s)
A	General Site	0
B	ISL Well Field	46,147
C	Underground Mining	23,903
D	Processing	5,420
E	Buildings and Facilities	0
Total Sustaining Capital		75,470
		$US 0.07 /lb Cu

Operating Costs:

The LOM Operating Costs were developed using first principals and comparable estimates from similar scale project in Arizona. Estimated Total Operating Costs and LOM Unit Costs required to produce a pound of copper are summarized below:

Operating Costs	LOM Cost (000's)	LOM Unit Cost ($US/lb Cu)
Drilling Cost	156,417	0.14
Frac Cost	88,009	0.08
Pump Costs	23,641	0.02
Drill Electricity	5,106	0.00
ISL Well Field Acid Costs	82,579	0.08
Wellfield Monitoring (KP)	7,540	0.01
Pumping Electricity Costs	122,466	0.11
Maintenance Costs	130,348	0.12
Processing Costs	220,210	0.20

G&A, Offsite Costs	187,179	0.17
Water Treatment	33,150	0.03
Reclamation and Closure Costs	19,184	0.02
TOTAL OPEX	1,075,830	0.98

* All numbers are rounded following Best Practice Principles.

All In Sustaining Costs:

All In Sustaining Costs include total operating costs, royalties, severance taxes, and sustaining capital costs as outlined below:

Cash Cost Category	Unit Cost ($US/lb)
Total Operating Costs	0.98
Royalties	0.07
Severance Tax	0.02
Sustaining Capital Costs	0.07
All in Sustaining Cost (AISC)	1.14

Closure and Reclamation:

Closure and reclamation would be in accordance with the requirements set out in the state and federal permits required to develop and operate the project includes the following major activities:

- Rinse the underground wellfield to restore groundwater quality within the mined area to levels specified in the project permits.
- Buildings and other infrastructure, including the SX-EW plant would be decommissioned, sold, and removed.
- Reshape the earth structures and disturbed areas to achieve long term stability and protection against erosion.
- Reshape the waste rock dump and construct vegetative cover.
- Excess water, including wellfield rinse water, would be treated, and released for two years following the cessation of commercial operations.
- Decommission the water management structure.
- Decommission the water treatment plant.

The estimated Reclamation and Closure Costs are summarized below:

Reclamation and Closure	Cost ($US 000's)
Well Field Decommissioning	$4,434
Infrastructure Decommissioning	$4,043
SX-EW Decommissioning	$3,180
Water Treatment Plant Decommissioning	$4,054
Total Reclamation and Closure Costs	$15,711

Economic Analysis Summary:

The economic analysis of the Van Dyke project has been performed on a 100% basis and derived from input parameters set out below. The pre-tax and post-tax NPV and IRR for the Van Dyke ISCR project at various discount rates are shown below. The 7.5% discount rate has been chosen as the Base Case in line with other Arizona based ISCR projects. The economic analysis includes recovery of capital, operating and sustaining costs, county, state and federal taxes and royalties. Input parameters include 3-year pre-production period, long-term copper price of $US3.15/lb, 17-year mine life and 5 years for reclamation/closure and monitoring. Corporate income taxes are assumed to be 21.0% federal and 4.9% state.

The payback periods are 2.0 years pre-tax and 2.1 years post-tax. The sensitivity of the pre- and post-tax NPV to the discount rate is summarized below:

Rate (%)	Pre-Tax NPV $US000's	Post-Tax NPV $US000's	Pre-Tax IRR (%)	Post-Tax IRR (%)
5.0%	$1,030,565	$835,974	48.4%	43.4%
7.5%	$798,963	$644,667	48.4%	43.4%
8.0%	$759,934	$612,436	48.4%	43.4%
10.0%	$623,480	$499,781	48.4%	43.4%
12.0%	$513,253	$408,832	48.4%	43.4%

Net Cash Flow:

The Base Case, Net Free Cash Flow after recovery of all operating, capital and sustaining costs pre-tax is estimated to be $US1.757 billion and $US1.436 billion post-tax.

Project Sensitivities:

The NPV and IRR are most sensitive to copper prices and metallurgical recovery, as illustrated in the figures below:

Figure 1

To view an enhanced version of Figure 1, please visit:
https://orders.newsfilecorp.com/files/2177/71774_95d87e8934952b3e_001full.jpg

Figure 2

To view an enhanced version of Figure 2, please visit:
https://orders.newsfilecorp.com/files/2177/71774_95d87e8934952b3e_002full.jpg

Qualified Person:

Elmer B. Stewart, MSc., P.Geo., President, is the Company's designated Qualified Person and has approved the scientific and technical disclosure in this news release.

The PEA has been prepared by Moose Mountain Technical Services. Each of the individuals listed below is an independent Qualified Person for the purposes of NI 43-101. All scientific and technical information in this press release is based upon information prepared by or under the supervision of those individuals, and each has approved the scientific and technical information in this release.

- Susan C. Bird, MSc., P.Eng., Moose Mountain Technical Services
- Bob Lane, P. Geo., Moose Mountain Technical Services
- Tracey Meintjes, P.Eng., Moose Mountain Technical Services
- Jim Norine, P. E., Ausenco

The Technical Report on the Preliminary Economic Assessment of the Van Dyke project will be filed in accordance with NI 43-101 on SEDAR (www.sedar.com) within the required 45 day statutory period and will be made available on Copper Fox's website at www.copperfoxmetals.com.

About Copper Fox

Copper Fox is a Tier 1 Canadian resource company listed on the TSX Venture Exchange (TSXV: CUU)

focused on copper exploration and development in Canada and the United States. The principal assets of Copper Fox and its wholly owned Canadian and United States subsidiaries, being Northern Fox Copper Inc. and Desert Fox Copper Inc., are the 25% interest in the Schaft Creek Joint Venture with Teck Resources Ltd. on the Schaft Creek copper-gold-molybdenum-silver project located in northwestern British Columbia and a 100% ownership of the Van Dyke oxide copper project located in Miami, Arizona. For more information on Copper Fox's other mineral properties and investments visit the Company's website at www.copperfoxmetals.com.

For additional information contact Lynn Ball at: investor@copperfoxmetals.com (844) 464-2820 or (403) 264-2820

On behalf of the Board of Directors

Elmer B. Stewart
President and Chief Executive Officer

Neither the 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 statements within the meaning of the Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and forward-looking information within the meaning of the Canadian securities laws (collectively, "forward-looking information"). Forward-looking information is based on management's current expectations and beliefs and is subject to risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking information in this news release includes statements about the Van Dyke project being a technically sound in-situ copper recovery project, utilizing underground access and conventional solvent extraction and electrowinning recovery methods, low cash costs, strong cash flows; 5,936m of planned underground development; operation of the production wells using a fan pattern wellfield geometry; the copper extraction plan; estimated copper cathode production; the expectation for the ISCR operation to operate with a net water surplus; estimates on capital, operating, reclamation and closure costs; reclamation plans;, mine and waste rock management; the economic analysis of the project, including pre and post-tax NPV, IRR and payback periods; construction and location of waste rock storage facility, infrastructure, access roads, sewage services, power supply communications, and infrastructure; annual production of copper and waste; the construction and operation of a proposed SX-EW plant; life of mine copper production; C1 and AISC costs per produced pound; projected future metal prices; estimated timing and amounts of future expenditures; geological interpretations, potential mineral recovery processes and all assumptions used in the PEA. Information concerning indicated and inferred mineral resources 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 and its subsidiary have made numerous assumptions, regarding, among other things: the economic models for the Van Dyke project, including the Base Case model are reliable and accurate; costs of production; success of mining operations; projected future metal prices; engineering, procurement and construction timing and costs; the timing and obtaining of permitting and approvals; the potential mineralization in the Van Dyke 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; and the continued financing of Copper Fox's operations. 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 results of the PEA may not lead to the development of a mine at Van Dyke or commercial mining operations; the project development plans and timing for Van Dyke as outlined in the PEA may not occur as currently anticipated, or at all; the indicated and inferred resources may never be

upgraded to a higher resource category; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; uncertainties related to the estimated mine life; the possibility of delays and cost overruns in engineering, procurement and construction of the project and uncertainty of meeting anticipated project milestones; unforeseen environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other factors that could materially affect the resource estimate used in the cash flow analysis; the receipt of state and federal permits and certificates required for production may not be completed in a timely manner, or at all, state or federal environmental approvals may not be obtained in a timely manner, or at all; the actual mineralization in the Van Dyke deposit may not be as favorable as suggested; fluctuations in metal prices and currency exchange rates; conditions in the financial markets and overall economy may deteriorate; 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; the need to obtain additional financing and uncertainty as to the availability and terms of future financing; 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. 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.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/71774