CARMAX MINING CORP.

Management's Discussion and Analysis

For the Year Ended

July 31, 2014

INTRODUCTION

The following discussion and analysis, prepared as of October 23, 2014 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's comparatives amounts in this MD&A have been presented in accordance with IFRS. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the audited financial statements for the year ended July 31, 2014 and related notes to those financial statements, all of which are available on the SEDAR website at www.sedar.com.

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under **RISK AND UNCERTAINTIES** in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for commodities, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

NATURE OF BUSINESS AND OVERALL PERFORMANCE

Carmax Mining Corp. (the "Company") is a natural resource company engaged exploring mineral properties in Canada.

As at July 31, 2014, the Company had cash and short term investments on hand of $1,041,898 compared to $328,863 at July 31, 2013.

Resource property decreased to $7,755,084 at July 31, 2014 compared to $7,585,639 at July 31, 2013.

As of July 31, 2014, the Company has two mineral property interests being a 50% interest in the Whiskey Jack Creek property located in the Cairo Township of the Matachewan Area of the Larder Lake mining district of the Province of Ontario, and a 100% interest in the Eaglehead property located in the Liard Mining Division of the Province of British Columbia.

The Operator of the Whiskey Jack Creek property is Alexandria Minerals Corp., with whom the Company is currently negotiating a joint venture agreement.

The Eaglehead property consists of 30 contiguous claims comprised of 479 cells and 4 mineral units encompassing approximately 105 square kilometers.

The Company acquired its original 100% interest in Eaglehead property by paying $350,000 cash, issuing 300,000 shares and by fulfilling a minimum exploration commitment of $6,000,000 on the Eaglehead property. During the year ended July 31, 2014, the Company acquired an additional four claims comprising an additional 2,130 hectares for $11,011 cash from Copper Fox Metals Inc. ("Copper Fox")

The initial claims acquired are subject to a 2.5% net smelter return royalty ("NSR") of which 1.5% can be purchased for $2,000,000. Three of the additional claims acquired from Copper Fox comprising of 981 hectares are subject to a 2% NSR, one-half (1%) of which may be purchased for $1,000,000.

SELECTED ANNUAL INFORMATION

The following financial data prepared in accordance with generally accepted accounting principles stated in Canadian dollars is presented as at July 31 of each of the 2014, 2013 and 2012 fiscal years:

	FISCAL YEARS ENDED		
	JULY 31 2014	**JULY 31 2013**	**JULY 31 2012**
Total revenue	$ -	$ -	$ -
Net loss before interest income and income taxes.	$ (970,344)	$ (350,502)	$ (755,028)
Net loss for the year	$ (960,163)	$ (343,963)	$ (743,679)
Basic and diluted loss per share	$ (0.03)	$ (0.01)	$ (0.03)
Total Assets	$ 9258,743	$ 8,538,357	$ 8,859,050
Total Long Term Liabilities	$ 34,762	$ 34,200	$ -
Cash Dividends per share	$ -	$ -	$ -

RESULTS OF OPERATIONS FOR THE YEAR ENDED JULY 31, 2014

	YEARS ENDED JULY 31 2014	2013
Expenses		
Accretion expense	$ 562	$ -
Consulting	38,448	20,225
Investor relations	-	10,000
Insurance	3,750	-
Management fees	60,000	60,000
Office and sundry	35,735	42,303
Professional fees	36,509	42,549
Promotion and entertainment	11,428	6,036
Property investigation costs	-	112,025
Rent	27,600	27,600
Share-based payments	239,900	-
Shareholder communications	12,772	5,477
Transfer agent and regulatory fees	21,863	18,488
Travel	3,386	5,799
Loss before other item	(491,953)	(350,502)
Other items		
Interest income	10,181	6,539
Write-off of exploration and evaluation assets	(478,391)	-
	(468,210)	6,539
Loss for the Period	(960,163)	(343,963)
Other Comprehensive Income (Loss)		
Net unrealized gain (loss) arising on available for sale investments during the period	1,000	1,000
Comprehensive Loss	$ (959,163)	$ (342,963)
Basic and Fully Diluted Loss per Share	(0.03)	(0.01)

The Company incurred a net loss of $960,163 and comprehensive loss of $959,163 during the year ended July 31, 2014, compared to a net loss of $343,963 and comprehensive loss of $342,963 for comparative year ended July 31, 2013. The most significant differences in expenses incurred from one period to the next are discussed below:

Consulting fees increased to $38,448 (2013 - $20,225) as a result of the Company entering into business development service agreements with consultants during the year.

Investor relations costs were reduced to $nil (2013 – $10,000) as the contract with KJN Management Ltd for the provision of investor relations services was cancelled in December 2012, resulting in no charge for the current period.

Insurance increased to $3,750 (2013 - $nil) as the Company took out directors and officers insurance during 2014.

Office and sundry fees were reduced due to general reduced corporate activity of the Company.

Promotion and entertainment costs increased as the Company was actively looking for a partner on the Eaglehead property during the year.

Property investigation costs were reduced to $nil as the Company undertook no due diligence activity on potential target properties in the period. During the comparative period costs were incurred undertaking due diligence on a prospect located in the Dominican Republic.

Share-based payments increased to $239,900 (2013 - $nil) as a result of the valuation of stock options granted to directors, officers and employees during the year.

Shareholder communications costs increased to $12,772 (2013 - $5,477) as a result of the Company issuing press releases detailing the corporate developments during the year.

Interest received increased a result of the receipt of refund interest on the BC Mining Exploration Tax Credits which were received in the year. During the latter part of the year the Company completed private placements for gross proceeds of $1,233,000 and interest earned on these monies also caused interest income to increase over the amount received in the prior year.

Write-off of exploration and evaluation assets increased to $478,391 (2013 - $nil) as a result of the Company considering the Whiskey Jack property impaired as no significant exploration had been undertaken in recent years and none is currently planned.

The other comprehensive income for the year amounting to $1,000 (2013 – $1,000) was recorded due to the change in market value of the Company's investment in Alexandria Minerals Corporation.

Exploration expenditures on the Whiskey Jack Creek property during the year ended July 31, 2014 totaled $nil, and exploration expenditures including decommissioning provisions incurred on the Eaglehead property totaled $636,825. The Company also acquired from Copper Fox an additional four mineral tenures comprising 2,130 hectares which have been added to the Eaglehead Property. These tenures were acquired for $11,011, which was the cost of acquisition to Copper Fox.

Eaglehead Property

Historically a total of 24,902 metres (81,701 feet) had been drilled in 95 drill holes on the Eaglehead property. During the four years ended July 31, 2010, the Company drilled a total of 36 holes representing 12,669 metres (41,566 feet). Previous operators drilled a total of 59 holes for a total of 12,233 metres (40,135 feet) on the property.

During October 31, 2010 the Company retained Agnerian Consulting Ltd to undertake a review of exploration results to date and prepare a NI 43-101Technical Report, which was completed and filed on SEDAR on January 12, 2011. (See www.sedar.com.)

During the year ended July 31, 2011 and through to January 31, 2014, the Company undertook a drill program which consisted of 8,300 metres drilled in 25 holes. The exploration program concentrated on both infill drilling and extension drilling of both the East and Bornite zones, in order to estimate NI 43-101 compliant Mineral Resources as per recommendations in the 43-101 report prepared by Agnerian Consulting earlier in the year.

The sample cores were sent for assay analysis at Acme Laboratories in North Vancouver B.C, and a summary of the mineralized intercepts can be found on SEDAR at www.sedar.com

The assay results to date indicate extensions to previously known mineralized zones with Cu, Mo, Ag, and Au values with grades ranging from 0.16% Cu to 3.33% Cu over drill core intervals ranging from 3 m to 161 m. The individual mineralized zones in both areas range in horizontal (true) thickness from 5 m to 80 m.

The mineralized zones in both areas extend more than 400 m at depth within hydrothermally altered and mineralized zones that are approximately 500 m wide and 700 m to 800 m long.

During the fiscal year ended July 31, 2012 the company engaged Roscoe Postle Associates Inc. (RPA) of Toronto to complete an independent estimate of NI 43-101 compliant Mineral Resources of the East and Bornite zones taking into consideration the results received from the 2011 exploration program. The report has been completed and a NI 43-101 compliant technical report was filed on SEDAR on June 29, 2012.

The NI 43-101 report Inferred Mineral Resources estimate includes only two of the six mineralized target areas that have been identified on the property. The resources are based on a program of diamond drilling 8,300 metres in 25 holes in 2011, as well as historical drilling.

The Inferred Mineral Resource estimate totals 102.5 million tonnes at an average grade of 0.29% Cu, 0.010% Mo, 1.9 g/t Ag, and 0.08 g/t Au. The resources were estimated at a cut-off grade of 0.16% copper equivalent ("CuEq") and contain approximately 662 million pounds copper, 22 million pounds molybdenum, 6.3 million ounces silver, and 265,000 ounces gold.

The Mineral Resources are contained within two conceptual open pits, the East and Bornite zones, and constitute approximately 69% of total mineralization above the grade cut-off. The breakdown of the Mineral Resources of the two zones is shown in Table 1.

TABLE 1 INFERRED MINERAL RESOURCES as of May 16, 2012
CARMAX MINING CORP. - EAGLEHEAD PROJECT

Zone	Cut-off (% CuEq)	Tonnes (Mt)	% Cu	Cu (Mlbs)	% Mo	Mo (Mlbs)	g/t Ag	Ounces Ag	g/t Au	Ounces Au	% CuEq
East	0.16	61.6	0.28	375.8	0.011	14.9	2.1	4,193,000	0.06	126,100	0.35
Bornite	0.16	40.9	0.32	286.5	0.008	7.2	1.6	2,084,000	0.11	138,700	0.40
Total	**0.16**	**102.5**	**0.29**	**662.3**	**0.010**	**22.1**	**1.9**	**6,277,000**	**0.08**	**264,800**	**0.37**

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated using long-term metal prices of US$4.00/lb. Cu, US$17.00/lb. Mo, US$1,400/oz Au, and a US$/CAD$ exchange rate of 1.00.
3. The copper equivalent (CuEq) calculation includes a provision for different metallurgical recoveries and smelter pay-out.
4. Metallurgical and payable recoveries are assumed to be 80% for base metals and 67% for gold.
5. Silver was not used to determine CuEq values.
6. Mineral Resources were estimated using a pit discard cut-off grade of 0.16% CuEq.

7. The numbers for tonnage, average grade, and contained metals are rounded figures.
8. These resources are constrained by a Whittle optimized pit shell and constitute approximately 69% of total mineralization of the block model within a conceptual open pit.

The company notes that due to non-standard sampling techniques in historic drilling, some of the past drill holes were not included in the current in-pit resource estimate.

Exploration to date has outlined at least six areas with porphyry-type copper-gold-molybdenum mineralization on the property. Prior published drill results have indicated that the East Zone and the Bornite Zone host west-northwest trending porphyry type Cu-Mo mineralization within variably hydrothermally altered granodioritic rocks. In general, low grade gold and silver values are associated with Cu-Mo mineralization. The mineralized zones in both areas range in horizontal thickness from 5m to 70m within a hydrothermally altered and mineralized zone ranging from 200m to 250m in total width.

The company also notes that Cu-Mo mineralization is open along strike and at depth, and extends across the contact zone between the granodiorite and felsic volcanic rocks.

Resource Estimation

The estimate was carried out using a block model constrained by 3D wireframes of the principal mineralized domains. Grades for copper, molybdenum, and gold were interpolated into the blocks using Inverse Distance to the Third Power (ID^3) weighting. The estimate was further constrained by a Whittle pit shell, generated to demonstrate that the mineralized bodies have a reasonable probability of economic extraction, as stipulated in NI43-101 and the CIM Definition Standards and Guidelines.

On the basis of a statistical analysis of the sample data, top cuts applied to the Eaglehead sample data were 7.5% Cu, 0.250% Mo, 50 g/t Ag, and 2.5 g/t Au. These top cuts were applied to the sample assays prior to compositing.

The block model used comprises an array of 10 m x 10 m x 5 m blocks, oriented parallel to the property grid. A bulk density of 2.7 t/m^3 was applied.

The resulting estimate of Mineral Resources was classed as Inferred.

RPA has recommended additional drilling and related work, with a proposed exploration budget of approximately $2.5 million. This includes 8500 metres of drilling in 28 holes, as well as additional ground geophysics, structural mapping, detailed mineralogical studies and metallurgical testing.

The company's plans for the summer 2014 exploration program include line cutting, ground geophysics, metallurgical testing, core relogging and approximately 4000m of diamond drilling. The budget for the proposed work is estimated to be $1.2 million.

2014 Field Program

The objectives of the 2014 field program will be to:

- Improve the geological model by deep penetrating geophysics;
- Drill 2 holes for scoping–level metallurgical testing;
- Drill approximately 6 exploration holes to improve our understanding of, and to test possible extensions to the East and Bornite zones;
- Comprehensive relogging of old drill core located on-site.

Crews have mobilized to open the camp and a two-three week line cutting program to be undertaken by Sawtooth Exploration Services commenced June 16, 2014. The ground geophysics program commenced June 23 using Quantec Geoscience's Titan 24 DCP system. Ten lines were surveyed, each being 1,800m in length with a dipole spacing of 75m. The line spacing was 600m and the survey covered both the East and Bornite zones with penetration to a depth of 550-650m.

Highlights of the results of the Titan 24 survey are as follows:

- The chargeability anomaly consisting of two distinct chargeability signatures has been defined over a 5,600m long horizontal distance,
- From Line 1 to Line 8 (horizontal distance of 4,500m) a strong >20 mRad chargeability signature occurs that covers four of the six zones of mineralization identified to date. This signature is open to the northwest towards the West zone,
- The >20 mRad chargeability signature ranges from 500m to 1,000m wide, is open at depth below the -550m level and is surrounded by a >10mRad chargeability signature that changes in width along strike,
- The mineralization in the historical (where sampled) and current drill holes in the Pass, Camp, Bornite and East zones of mineralization (horizontal distance of 3,000m), either on or in proximity to the geophysical survey lines, shows a good correlation to the >20 mRad chargeability signature,
- On Line-9 and Line-10 (horizontal distance 1,100m) a distinct >10 mRad chargeability signature occurs that is approximately 1,000m wide and is open at depth below the -550m level. This chargeability signature has not been drill tested and is open to the southeast towards the mineralized zone referred to as the Far East zone, and
- The >10 mRad chargeability signature on Line-3 was tested by DDH 32 approximately 400m east of the >20 mRad chargeability contour. This historical drill hole appears to have tested the zone of oxide copper mineralization located earlier in 2014 on Line 2 and Line 3. Where sampled (3 samples) this hole returned values ranging from 0.33 to 0.67% copper.

The diamond drill program commenced in early July. The first two holes will be for metallurgical testing, one in each of the East and Bornite zones, for a total of 1000m. This will be followed by approximately 6 exploration holes (average 500m each) to provide additional testing of the East and Bornite zones, as well as testing for continuity of mineralization along strike between these two zones. DJ Drilling of Watson Lake is providing the contract drilling services. All analytical work (both core geochemistry and metallurgical) will be carried out by SGS of Vancouver. Analytical results are pending.

In addition, an extensive program of relogging the old drill core is underway to establish continuity and enhance the geological model of the property.

Whiskey Jack Creek Property

A 2008-2009 winter drill program consisting of 3 diamond drill holes was been completed by Carmax's partner, Alexandria Minerals Corp. ("Alexandria") on the Whiskey Jack Creek property.

The three holes were drilled stepping out from drill hole MAT-08-7 drilled in late 2007 which returned 2.25 g/t Au over 6.00m at a depth of 165.5m.

Alexandra recommended a further drilling program on the claims, but no additional work has been done since 2009.

As of July 31, 2014, the Company has no plans to further explore the property. Accordingly an impairment provision of $478,391 was recorded resulting in the property being recorded at $1 at July 31, 2014.

Summary of Quarterly Results

The following is a summary of the Company's quarterly results for the period from August 1, 2012 to July 31, 2014 reported in Canadian currency.

	QUARTER ENDED			
	JULY 31, 2014	APRIL 30, 2014	JANUARY 31, 2014	OCTOBER 31, 2013
Total revenue	$ -	$ -	$ -	$ -
Net loss before income taxes	$ (802,506)	$ (61,269)	$ (58,738)	$ (37,650)
Net income (loss) for the period	$ (802,506)	$ (61,269)	$ (58,738)	$ (37,650)
Basic income (loss) per share	$ (0.02)	$ (0.00)	$ (0.00)	$ (0.00)

	QUARTER ENDED			
	JULY 31, 2013	APRIL 30, 2013	JANUARY 31, 2013	OCTOBER 31, 2012
Total revenue	$ -	$ -	$ -	$ -
Net loss before income taxes	$ (53,531)	$ (124,076)	$ (99,824)	$ (67,532)
Net income (loss) for the period	$ (52,531)	$ (124,076)	$ (99,824)	$ (67,532)
Basic income (loss) per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

The Company reported a net loss of $802,506 for the three month period ended July 31, 2014 compared to $53,531 for the comparable three month period ended July 31, 2013. The basic loss per share for the three month period ended July 31, 2014 was ($0.02) versus ($0.00) for the comparable period of 2013.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JULY 31, 2014

	THREE MONTHS ENDED JULY 31 2014	2013
Expenses		
Accretion expense	$ 141	$ -
Consulting	15,500	1,000
Insurance	3,750	-
Management fees	15,000	15,000
Office and sundry	10,454	7,232
Professional fees	13,933	20,511
Promotion and entertainment	4,917	1
Property investigation costs	-	12
Rent	6,900	6,900
Share- based payments	239,900	-
Shareholder communications	8,647	1,390
Transfer agent and regulatory fees	6,534	(380)
Travel	948	1,690
Loss before other item	(326,624)	(53,356)
Other item		
Interest income	2,509	825
Write off of exploration and evaluation assets	(478,391)	-
Loss for the Period	(802,506)	(52,531)
Other Comprehensive Income (Loss)		
Net unrealized gain (loss) arising on available for sale investments during the period	(2,000)	1,000
Comprehensive Loss	$ (804,506)	$ (51,531)
Basic and Fully Diluted Loss per Share	(0.02)	(0.00)

The Company incurred a net loss of $802,506 and comprehensive loss of $804,506 during the three month period ended July 31, 2014, compared to a net loss of $52,531 and comprehensive loss of $51,531 for comparative period ended July 31, 2013. The most significant differences in expenses incurred from one period to the next are discussed below:

Consulting fees increased to $15,500 (2013 – $1,000) as the Company entered into various agreements for business development during the current period.

Insurance increased to $3,750 (2013 - $nil) as the Company took out directors and officers insurance during 2014.

Office and sundry fees increased to $10,454 (2013 - $7,232) in the period due to the increased corporate activity of the Company during the 4th quarter.

Professional fees reduced to $13,933 (2013 - $20,511) due to lower expected audit costs and reduced legal costs in the period.

Promotion and entertainment costs increased to $4,917 (2013 - $1) as the Company was continuing its promotional activities further to securing financing and commencing an exploration program on the Eaglehead property.

Share-based payments increased to $239,900 (2013 - $nil) as a result of the valuation of stock options granted to directors, officers and employees during the year.

Shareholder communications costs increased to $8,647 (2013 - $1,390) as a result of the Company issuing press releases detailing the corporate developments during the period.

Transfer agent and regulatory fees increased to $6,534 (2013 credit of $380) as a result of the completion of the private placements in the periods and the associated costs incurred.

Interest received increased in the period as the Company completed private placements for gross proceeds of $1,233,000 and interest earned on these monies also caused interest income to increase over the amount received in the prior year.

Write-off of exploration and evaluation assets increased to $478,391 (2013 - $nil) as a result of the Company considering the Whiskey Jack property impaired as no significant exploration had been undertaken in recent years and none is currently planned.

The other comprehensive for the period year amounting to a loss of $2,000 (2013 – gain of $1,000) was recorded due to the change in market value of the Company's investment in Alexandria Minerals Corporation.

Exploration expenditures on the Whiskey Jack Creek property during the three month period ended April 30, 2014 totaled $nil, and exploration expenditures including decommissioning provisions incurred on the Eaglehead property totaled $533,215

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JULY 31, 2013

The Company incurred a net loss of $52,531 and comprehensive loss of $51,531 during the three month period ended July 31, 2013, compared to a net loss of $516,359 and comprehensive loss of $520,359 for comparative three month period ended July 31, 2012.

The most significant differences in expenses incurred from one period to the next resulted from a decrease consulting fees to $1,000 (2012 - $26,250); investor relations fees decreased to $nil (2012 - $9,500) as a result of the cancellation of the investor relations contract with KJN Management Ltd; management fees were consistent at $15,000 (2012 - $15,000); office and sundry expenses increased to $7,232 (2012 - $6,991); professional fees decreased to $20,511 (2012 - $36,040) as a result of lower audit and legal fees; promotion and entertainment decreased to $1 (2012 - $779); shareholder communications costs decreased to $1,390 (2012 - $3,788); share based payments decreased to $nil (2012 – $350) as no options were granted or vested in the year; transfer agent and regulatory fees decreased to a recovery of $380 (2012 - $1,178), and travel expenses increased to $1,690 (2012 - $831).

Interest income decreased to $825 (2012 - $2,399) as a result of the Company on average holding lower cash balances during the current period than those held in the comparative period.

Finally the Company recorded an other comprehensive gain of $1,000 (2012 – loss of $4,000) as a result of the Company's investment in Alexandria Minerals Corporation being marked to market value at the respective period ends and write off of exploration and evaluation assets decreased to $nil (2012 - $411,151) upon the abandonment of the Goldtip property.

During the three month period ended July 31, 2013, exploration expenditures on the Whiskey Jack Creek property totaled $nil, and exploration expenditures incurred on the Eaglehead property including decommissioning costs totaled $63,214.

LIQUIDITY

As at July 31, 2014, the Company has total assets of $9,258,743.

The primary assets of the Company comprise cash and short term investments of $290,538 and $751,360 respectively, reclamation deposits of $135,000, BC Mining exploration tax credit receivable of $158,568, exploration advances of $80,000, prepaid expenses of $44,283 and two mineral property interests with a capitalized value of $7,755,084. The Company also had working capital of $1,060,907.

During May 2014, the Company closed the first tranche a non-brokered private placement and issued 20,000,000 units to Northern Fox Copper Inc. ("Northern Fox"), a subsidiary company of Copper Fox, at a price of $0.05 per unit for total aggregate proceeds of $1,000,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share at $0.075 until May 28, 2016.

The subscription was entered into pursuant to a prior letter agreement dated March 17, 2013 with Copper Fox. The letter agreement gave Copper Fox certain pre-emptive and non-dilution rights. Providing Copper Fox or its subsidiary continues to hold at least a 20% stake in the Company Copper fox has the right to appoint two members to the Board of Carmax, and can also undertake financings pursuant to its non-dilution rights to maintain its equity stake in Carmax at 42.09%. Any share issuances pursuant to the agreement will be subject to regulatory approval.

On July 9, 2014, the Company closed the second tranche the non-brokered private placement and issued 4,660,000 units to investors at a price of $0.05 per unit for total aggregate proceeds of $233,000. Each unit consists of one share and one share purchase warrant. Each warrant is exercisable into one common share at $0.075 until July 9, 2016.

Subsequent to the year end, Copper Fox advised the Company that it intended to exercise certain of its non-dilution rights. As a result on September 25, 2014, 3,386,078 units at a price of $0.07 per unit were issued to Northern Fox Copper Inc, a subsidiary of Copper Fox. Each unit consists of one share and one share purchase warrant. Each warrant is exercisable into one common share at $0.09 until September 25, 2016.

At the present time it is management's opinion that the Company has adequate working capital to meet the Company's obligations as they come due and that the Company is not exposed to any significant liquidity risks at this time.

CAPITAL RESOURCES

At July 31, 2014, the Company's capital resources consist of interests in two mineral properties. The Company's 50% interest in the Whiskey Jack Creek property located in Cairo Township, Matachewan Area, Larder Lake mining district in Province of Ontario has been valued at $1; and the Company's 100% interest in the Eaglehead property located in the Liard Mining Division in British Columbia which has been valued at $7,755,083 including decommissioning costs. These amounts totaling $7,755,084 equal the deferred exploration expenditures (net of BC mining exploration tax credits), and acquisition costs made in respect of the properties to July 31, 2014.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

On May 29, 2014, Copper Fox through its 100% owned subsidiary, Northern Fox acquired 20,000,000 units of the Company. Each Unit consists of one previously unissued common share and one common share purchase warrant. Each warrant is exercisable until May 28, 2016 and at a price of $0.075. At May 29, 2014, Copper Fox held a 47.09% interest on an undiluted basis. Carmax also granted Copper Fox certain rights, including:

- the right to nominate two members to the Board of Carmax at each annual general meeting;
- the pre-emptive right to participate in any equity financing of the Company; and
- the right to make top-up investments in the Company to maintain its pro rata percentage shareholding.

These rights are subject to Copper Fox and its affiliates maintaining ownership of a minimum of 20% of the Company's issued and outstanding shares.

At May 28, 2014, Copper Fox, on a fully diluted basis held over 50% of the issued and outstanding shares of the Company, and as such has control of the Company.

In June of 2014, the Company issued 4,660,000 additional shares, which reduced the interest held by Copper Fox. Accordingly, and as is their right, Copper Fox announced their intention to acquire additional shares to maintain its pro rata percentage shareholding of 42.09% on an undiluted basis. (53.7% on a fully diluted basis).

On September 29, 2014, the Company issued 3,386,078 units to Northern Fox, at a price of $0.07 per unit for total aggregate proceeds of $237,025 pursuant to the pre-emptive and non-dilution rights included in the letter agreement between Copper fox and the Company as detailed above. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share at $0.09 until September 25, 2016.

Copper Fox, as the parent of the Company, consolidates 100% of the assets and liabilities related to the Company and includes a non-controlling interest of the assets and liabilities within their equity section.

At July 31, 2014, included in accounts payable is $12,146 (July 31, 2013 - $433) owing to two companies controlled individual directors, $11,011 (2013 - $nil) owing to a company with a common director and $6,788 (July 31, 2013 - $6,788) owing to a company controlled by an officer for services rendered to the Company. The amounts payable are non-interest bearing, unsecured and have no specific terms of repayment.

During the years ended July 31, 2014 and 2013, the Company also incurred the following expenses charged by directors, officers or companies controlled by the directors or officers:

a) Paid or accrued management fees of $60,000 (2013 - $60,000) to a company controlled by Jevin Werbes.

b) Paid or accrued professional fees of $14,450 (2013 - $14,000) to a company controlled by Matthew Wright.

c) Paid or accrued wages included in office administration costs of $27,000 (2013 - $27,000) to Bev Funston.

d) Paid or accrued rent of $27,600 (2013 - $27,600) to Ansell Capital Corp, a company with common directors and officer.

e) Paid or accrued consultancy fees of $nil (2013 - $1,500) to a company controlled by Chris Healey.

f) Paid or accrued consultancy fees of $948 (2013 - $1,500) to a company controlled by Hrayr Agnerian

g) Paid or accrued property investigation expenses of $nil (2013 - $4,875) to a company controlled by Chris Healey.

h) Paid or accrued property investigation expenses of $nil (2013 - $9,750) to a company controlled by Jeff Poloni.

i) Recorded share based payments aggregating $222,130 (2013 - $nil) upon the vesting of stock options to the directors and an officer of the Company.

j) Capitalized into deferred exploration costs $53,900 (2013 - $22,713) of fees charged by a company controlled by Jeff Poloni.

k) Capitalized into deferred exploration costs $9,375 (2013 - $5,500) of fees charged by a company controlled by Chris Healey.

l) Capitalized into deferred exploration costs $nil (2013 - $675) of fees charged by a company controlled by Hrayr Agnerian.

m) Capitalized into mineral property acquisition costs $11,011 (2013 - $nil) charged by Copper Fox Metals Inc. a company with a common director.

During the year ended July 31, 2014, management and administration was provided to the Company by Calico Management Corp. (Calico) a Company controlled by Jevin Werbes.

Upon the appointment of Jevin Werbes as President, the Company entered into a management contract with Calico. The agreement was for a minimum term of twelve months, expiring on October 14, 2011. Pursuant to the agreement, Calico was to receive $3,000 (subsequently amended to $4,000 then $5,000) per month over the term of the agreement. Upon the completion of the initial term the agreement became a month to month arrangement with the Company.

On September 1, 2014, the Company entered into a new management agreement with Calico. The agreement is for a minimum term of twenty four months, expiring on September 1, 2016. Pursuant to the new agreement Calico is to receive $8,000 per month over the term of the agreement. The agreement can be terminated by Calico by giving 90 days written notice to the Company and by the Company delivering twelve months written notice to Calico after the expiry of the initial term.

On May 28, 2014, Elmer B. Stewart, the current President of Copper Fox was appointed a Director of Carmax.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at July 31, 2014 the Company's financial instruments consist of cash, short term investment, exploration advances, investment, accounts payable and accrued liabilities and decommissioning provision.

The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

a) Credit Risk

The Company's credit risk is primarily attributable to cash, short term investments, reclamation deposits and the investment. Cash, short term investments, and reclamation deposits are held with one reputable Canadian chartered bank which is closely monitored by management. The investment consists of shares of Alexandria Minerals Corp, a publicly listed entity. Management believes that the credit risk concentration with respect to financial instruments included in cash, short-term investments and amounts receivable is minimal.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2014, the Company held cash and short term investments aggregating $1,041,898 (July 31, 2013 - $328,863) and had current liabilities of $300,343 (July 31, 2013 - $35,798). All of the Company's current liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Market Risk

i) Interest Rate Risk

The Company had cash balances and short term investments, and no interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

ii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar. Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company does not participate in any hedging activities to mitigate any gains or losses which may arise as a result of exchange rate changes.

As at July 31, 2014, the Company held no financial assets or liabilities which were denominated in currencies other than the Canadian dollar.

iii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The preparation of the financial statements also requires management to exercise judgment in the process of applying the accounting policies.

On an on-going basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its judgments and estimates. Revisions to accounting estimates are recognised prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

Critical Accounting Estimates

The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Impairment

Assets, especially exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the recoverable amount requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted.

Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 11 of the audited financial statements for the year ended July 31, 2014.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Decommissioning Provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the decommissioning provision in the period incurred. Provisions are determined by discounting the risk-adjusted expected future cash flows to take into consideration risks and uncertainties involving the transaction. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The decommissioning cost is depreciated on the same basis as the related asset. The liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognition in the statement of operations. Based on management's best estimate, the Company has recorded $34,762 with respect to the Eaglehead exploration and evaluation property at July 31, 2014 (July 31, 2013 - $34,200).

Going concern

Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease trading, or has no realistic alternative to do so. Assessment of the Company's ability to continue as a going concern requires the consideration of all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This information includes estimates of future cash flows and other factors, the outcome of which is uncertain. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cost significant doubt upon the Company's ability to continue as a going concern those uncertainties are disclosed. Management has determined that disclosure is not required in these statements.

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available.

If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period the new information becomes available.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

SUBSEQUENT EVENTS

Subsequent to the year end,

a) Pursuant the Copper Fox's non-dilution rights the Company issued 3,386,078 units at a price of $0.07 per unit for gross proceeds of $237,025. Each unit consists of one share and one share purchase warrant. Each warrant is exercisable into one common share at $0.09 until September 25, 2016.

b) The Company cancelled 1,200,000 stock options exercisable at $0.26.

c) The Company granted 750,000 stock options exercisable at $0.10 until September 12, 2016 to consultants

d) On September 1, 2014, the Company entered into a new contract for management and administrative services with Calico, a Company controlled by Jevin Werbes. The contact is for a minimum term of 12 months expiring September 1, 2015. Pursuant to the contract Calico will receive $8,000 per month. The agreement can be terminated by Calico by giving 90 days written notice to the Company and by the Company delivering twelve months written notice to Calico after the expiry of the initial term. Upon the completion of the initial term the agreement became a month to month arrangement with the Company.

OTHER INFORMATION

Outstanding Share Data

A breakdown of the Company's issued common share position is as follows:

The following details the common shares, share purchase warrants, and stock options outstanding as of the date of this MD&A.

Common Shares

	Number of Shares
Authorized	
Unlimited common shares, without par value	
Issued	
Balance at October 23, 2014	55,562,076

Share Purchase Warrants

Number of Share Purchase Warrants	Exercise Price	Expiry Date
20,000,000	$0.075	May 28, 2016
4,660,000	0.075	July 9, 2016
3,386,078	0.09	September 25, 2016

Stock Options

Number of Shares	Exercise Price	Expiry Date
4,050,000	$0.07	July 9, 2019
750,000	$0.10	September 12, 2016

Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders. Under the terms of the plan, the number of unissued treasury shares equal to 10% of the Company's issued and outstanding shares on a rolling basis have been set aside for the grant of incentive stock options.

Options granted under the Plan contain the following provisions:

- all options will be non-transferable;
- no more than 5% of the issued shares may be granted to any one individual in any 12 month period;
- no more than 2% of the issued shares may be granted to a consultant or any employee performing investor relations activities, in any 12 month period;
- disinterested shareholder approval must be obtained for any reduction in the exercise price of an outstanding option, if the option holder is an insider; and
- options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Corporation's common shares.

There are no other potential share issuance obligations outstanding as of October 20, 2014.

INVESTOR RELATIONS CONTRACT

On October 15, 2010, the Company entered in an Investor Relations/Corporate Development agreement KJN Management Ltd. ("KJN").which expired on October 14, 2011. Pursuant to the agreement KJN received $3,000 (later amended to $4,500) per month over the term of the agreement. In June 2012 KJN agreed to reduce the contractual fees charged to $2,500 to assist the Company to preserve cash. In December 2012 the contract terminated.

CONTRACTUAL OBLIGATIONS

None

RISKS AND UNCERTAINTIES

Limited Operating History

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

History of Losses

The Company has incurred net losses every period since inception and as of July 31 2014, had an accumulated deficit of $5,057,686

No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

Dilution

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependant upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity.

Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

MD&A PREPARATION

This MD&A was prepared as of October 23, 2014. This MD&A should be read in conjunction the audited financial statements as at July 31, 2014. This MD&A is intended to assist the reader's understanding of **Carmax Mining Corp**. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.sedar.com.

Managements Responsibility for Financial Statements

The information provided in this report, including the financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Carmax Mining Corp's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's Audit Committee meets with management quarterly to review the financial statement results, including the MD&A, and to discuss other financial, operating and internal control matters. The Audit Committee receives a report from the independent auditors annually, and is free to meet with them throughout the year.

October 23, 2014

On behalf of Management and the Board of Directors,

"Jevin Werbes"

Jevin Werbes
President