

CARMAX MINING CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

**FOR THE THREE AND SIX MONTHS ENDED
APRIL 30, 2015**

**(Unaudited)
(Expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Carmax Mining Corp. (the "Company") for the three and six months ended April 30, 2015 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

CARMAX MINING CORP.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited) (Expressed in Canadian Dollars)

| | APRIL 30 2015 | OCTOBER 31 2014 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 162,224 | \$ 75,656 |
| Restricted cash (Note 14) | 550,000 | - |
| Short term investments | - | 251,115 |
| Other receivables | 8,857 | 42,916 |
| B.C. Mining Exploration Tax Credit receivable | 316,321 | 316,321 |
| Prepaid expenses | 4,774 | 31,493 |
| Deferred financing fees (Note 14) | 3,500 | - |
| Total Current Assets | 1,045,696 | 717,501 |
| Equipment | - | 771 |
| Investment (Note 5) | 5,000 | 5,000 |
| Reclamation Deposits (Note 6) | 135,000 | 135,000 |
| Exploration and Evaluation Assets (Note 7) | 8,464,140 | 8,386,736 |
| Total Assets | \$ 9,649,836 | \$ 9,245,008 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 14,937 | \$ 190,272 |
| Decommissioning Provision (Note 8) | 35,185 | 34,903 |
| Total Liabilities | 50,122 | 225,175 |
| Equity | | |
| Share capital (Note 9) | 13,991,080 | 13,768,130 |
| Share-based payment reserve | 282,943 | 270,399 |
| Share subscriptions received (Note 14) | 550,000 | - |
| Accumulated other comprehensive loss | (19,500) | (19,500) |
| Deficit | (5,204,809) | (4,999,196) |
| Total Equity | 9,599,714 | 9,019,833 |
| Total Liabilities and Equity | \$ 9,649,836 | \$ 9,245,008 |

These condensed interim financial statements were approved and authorized for issue by behalf of the Board of Directors on June 29, 2015 by:

“Jevin Werbes”

Chief Executive Officer

“Chris Healey”

Director

The accompanying notes are an integral part of these financial statements.

CARMAX MINING CORP

CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

(Expressed in Canadian Dollars)

| | THREE MONTHS ENDED APRIL 30 | | SIX MONTHS ENDED APRIL 30 | |
|--|--------------------------------|-------------------|------------------------------|-------------------|
| | 2015 | 2014 | 2015 | 2014 |
| Expenses | | | | |
| Accretion | \$ 141 | \$ 141 | \$ 282 | \$ 281 |
| Consulting | 20,250 | 11,800 | 39,500 | 21,448 |
| Insurance | 4,092 | - | 8,184 | - |
| Management fees | 24,000 | 15,000 | 48,000 | 30,000 |
| Office and sundry | 11,647 | 9,684 | 22,867 | 17,435 |
| Professional fees | 5,150 | 5,909 | 24,031 | 17,765 |
| Promotion and entertainment | 2,605 | 4,369 | 6,670 | 6,511 |
| Rent | - | 6,900 | 6,900 | 13,800 |
| Shareholder communications | 7,136 | 1,757 | 24,598 | 2,541 |
| Share - based payments | 29,500 | - | 34,500 | - |
| Transfer agent and regulatory fees | 7,762 | 9,102 | 8,309 | 14,550 |
| Travel | 3,923 | 1,831 | 4,898 | 2,438 |
| Loss Before Other Item | (116,206) | (66,493) | (228,739) | (126,769) |
| Other Item | | | | |
| Interest income | 303 | 5,224 | 1,170 | 6,762 |
| Loss For The Period | (115,903) | (61,269) | (227,569) | (120,007) |
| Other Comprehensive Income (Loss) | | | | |
| Net unrealized gain (loss) arising on available for sale investments during the period | - | 4,000 | - | 3,000 |
| Comprehensive Loss | (115,903) | (57,269) | (227,569) | (117,007) |
| Basic and Fully Diluted (Loss) Per Share | \$ (0.00) | \$ (0.00) | \$ (0.00) | \$ (0.00) |
| Weighted Average Number Of Shares Outstanding | 60,742,526 | 27,515,998 | 58,941,899 | 27,515,998 |

The accompanying notes are an integral part of these financial statements.

CARMAX MINING CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD FROM JULY 31, 2013 TO APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

| | SHARE CAPITAL | | SHARE-BASED PAYMENT RESERVE | ACCUMULATED OTHER COMPREHENSIVE LOSS | DEFICIT | TOTAL SHAREHOLDERS' EQUITY |
|---|---------------|---------------|-----------------------------------|---|----------------|----------------------------------|
| | SHARES | AMOUNT | | | | |
| Balance, July 31, 2013 | 27,515,998 | \$ 12,366,842 | \$ 360,779 | \$ (19,500) | \$ (4,239,762) | \$ 8,468,359 |
| Revaluation of investment to market value | - | - | - | - | - | - |
| Expiration of share-based compensation | - | - | (37,300) | - | 37,300 | - |
| Net loss for the period | - | - | - | - | (37,650) | (37,650) |
| Balance October 31, 2013 | 27,515,998 | 12,366,842 | 323,479 | (19,500) | (4,240,112) | 8,430,709 |
| Revaluation of investment to market value | - | - | - | 3,000 | - | 3,000 |
| Net loss for the period | - | - | - | - | (120,007) | (120,007) |
| Balance April 30, 2014 | 27,515,998 | 12,366,842 | 323,479 | (16,500) | (4,360,119) | 8,313,702 |
| Shares issued for cash | 24,660,000 | 1,233,000 | - | - | - | 1,233,000 |
| Share issuance costs | - | (58,458) | - | - | - | (58,458) |
| Revaluation of investment to market value | - | - | - | (2,000) | - | (2,000) |
| Expiration of share-based compensation | - | - | (104,939) | - | 104,939 | - |
| Share-based compensation | - | - | 239,900 | - | - | 239,900 |
| Net loss for the period | - | - | - | - | (802,506) | (802,506) |
| Balance July 31, 2014 | 52,175,998 | \$ 13,541,384 | \$ 458,440 | \$ (18,500) | \$ (5,057,686) | \$ 8,923,638 |

The accompanying notes are an integral part of these financial statements

CARMAX MINING CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD FROM JULY 31, 2013 TO APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

| | SHARE CAPITAL | | SHARE-BASED PAYMENT RESERVE | SHARE SUBSCRIPTIONS RECEIVED | ACCUMULATED OTHER COMPREHENSIVE LOSS | DEFICIT | TOTAL SHAREHOLDERS' EQUITY |
|---|-------------------|----------------------|-----------------------------------|------------------------------------|---|-----------------------|----------------------------------|
| | SHARES | AMOUNT | | | | | |
| Balance July 31, 2014 | 52,175,998 | \$ 13,541,384 | \$ 458,440 | \$ - | \$ (18,500) | \$ (5,057,686) | \$ 8,923,638 |
| Shares issued for cash (Note 9) | 3,386,078 | 237,025 | - | - | - | - | 237,025 |
| Share issuance costs (Note 9) | - | (10,279) | - | - | - | - | (10,279) |
| Expiration of share-based compensation | - | - | (218,541) | - | - | 218,541 | - |
| Revaluation of investment to market value | - | - | - | - | (1,000) | - | (1,000) |
| Share-based compensation (Note 10) | - | - | 30,500 | - | - | - | 30,500 |
| Net loss for the period | - | - | - | - | - | (160,051) | (160,051) |
| Balance, October 31, 2014 | 55,562,076 | 13,768,130 | 270,399 | - | (19,500) | (4,999,196) | 9,019,833 |
| Shares issued for cash | 5,180,450 | 259,023 | - | - | - | - | 259,023 |
| Share issuance costs (Note 9) | - | (36,073) | - | - | - | - | (36,073) |
| Share subscriptions received | - | - | - | 550,000 | - | - | 550,000 |
| Revaluation of investment to market value | - | - | - | - | - | - | - |
| Expiration of share-based compensation | - | - | (21,956) | - | - | 21,956 | - |
| Share-based compensation (Note 10) | - | - | 34,500 | - | - | - | 34,500 |
| Net loss for the period | - | - | - | - | - | (227,569) | (227,569) |
| Balance January 31, 2015 | 60,742,526 | \$ 13,991,080 | \$ 282,943 | \$ 550,000 | \$ (19,500) | \$ (5,204,809) | \$ 9,599,714 |

The accompanying notes are an integral part of these financial statements.

CARMAX MINING CORP.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS (Unaudited) (Expressed in Canadian Dollars)

| | SIX MONTHS ENDED APRIL 30 | |
|---|------------------------------|-------------------|
| | 2015 | 2014 |
| Cash Flows From (Used In) Operating Activities | | |
| Net loss for the period | \$ (227,569) | \$ (120,007) |
| Items not affecting cash: | | |
| Accretion | 282 | 281 |
| Accrued interest | 1,115 | (1,788) |
| Share-based payments (Note 9) | 34,500 | - |
| Changes in non-cash working capital items: | | |
| Prepaid expenses | 26,719 | (5,381) |
| Other receivables | 34,059 | 10,001 |
| Accounts payable and accrued liabilities | (46,113) | (22,586) |
| Cash Outflows From Operating Activities | (177,007) | (139,480) |
| Cash Flows From (Used in) Investing Activities | | |
| Short term investments (net) | 250,000 | - |
| Exploration and evaluation assets | (205,855) | (26,249) |
| B.C. Mining Exploration Tax Credit received (BCMETC) | - | 252,042 |
| Cash Inflows from Investing Activities | 44,145 | 225,793 |
| Cash Flows From (Used in) Financing Activities | | |
| Proceeds from share issuances | 259,023 | - |
| Share issue costs (Note 11) | (36,073) | - |
| Share subscriptions received | 550,000 | - |
| Deferred financing costs | (3,500) | - |
| Cash Inflows From Financing Activities | 769,450 | - |
| Increase In Cash For The Period | 636,588 | 86,313 |
| Cash, Beginning Of Period | 75,656 | 124,457 |
| Cash, End Of Period | \$ 712,244 | \$ 210,770 |
| Cash consists of | | |
| Cash | 162,224 | 210,770 |
| Restricted cash | 550,000 | - |
| | \$ 712,224 | \$ 210,770 |
| Supplemental Disclosure Of Cash Flow Information | | |
| Interest paid | \$ - | \$ - |
| Income taxes paid | \$ - | \$ - |

The accompanying notes are an integral part of these financial statements.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Carmax Mining Corp. was incorporated under the Canada Business Corporations Act on June 16, 2000 and is listed on the TSX Venture Exchange.

The address of the Company's corporate office and principal place of business is 217-179 Davie Street, Vancouver, BC V6Z 2Y1.

The Company's principal business activity is the acquisition and exploration of resource properties. The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Consequently, the Company considers itself to be an exploration stage company.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the three month period ended October 31, 2014.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on June 29, 2015.

b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, being the currency of the economic environment of the Company's operations. The functional currency is also the presentation currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for Critical Accounting Estimates and Judgments made by management in the application of IFRS.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at October 31, 2014. The accompanying condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the three month period ended October 31, 2014.

The significant accounting policies used in the preparation of these financial statements set out below have been applied consistently in all material respects.

Accounting Standards Issued But Not Yet Applied

International Financial Reporting Standard 9, Financial Instruments ("IFRS 9"), was issued in November 2009. It addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return of investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely. This standard is required to be applied for accounting periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

Recently Adopted Accounting Pronouncements

Subsequent to October 31, 2014 there have been no new accounting policies adopted by the Company.

4. USE OF 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.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

4. USE OF ESTIMATES AND JUDGEMENTS (Continued)

Critical Accounting Estimates (Continued)

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 10.

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.

Rehabilitation provisions

Management's best estimates regarding the rehabilitation provisions are based on the current economic environment and future cash flows. Changes in estimates of contamination, restoration standards and restoration activities result in changes to provisions from period to period. Actual rehabilitation provisions will ultimately depend on future market prices for future rehabilitation obligations.

Critical Judgments Used in Applying Accounting Policies

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 cast 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.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

4. USE OF ESTIMATES AND JUDGEMENTS (Continued)

Critical Judgments Used in Applying Accounting Policies (Continued)

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.

5. INVESTMENT

| | <u>APRIL 30</u> <u>2015</u> | <u>OCTOBER 31</u> <u>2014</u> |
|--|--------------------------------|----------------------------------|
| Alexandria Minerals Corporation – 100,000 common shares quoted at market value | <u>\$ 5,000</u> | <u>\$ 5,000</u> |

6. RECLAMATION DEPOSITS

The Company was required to post three bonds totalling \$135,000, relating to the exploration of the Eaglehead Property in British Columbia. The deposits will be refunded to the Company upon completion of reclamation to the satisfaction of the Inspector of Mines. The reclamation deposits are being held in term deposits with various interest rates.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015

(Unaudited)

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

Mineral property costs for the six month period ended April 30, 2015, comprise

| | WHISKEY JACK CREEK PROPERTY | EAGLEHEAD PROPERTY | TOTAL |
|--|-----------------------------------|-----------------------|---------------------|
| Property Acquisition Costs | | | |
| Balance, October 31, 2014 | \$ 1 | \$ 622,511 | \$ 622,512 |
| Additions in the period | - | - | - |
| Balance April 30, 2015 | \$ 1 | \$ 622,511 | \$ 622,512 |
| Deferred Exploration Expenditures | | | |
| Balance, October 31, 2014 | \$ - | \$ 7,764,224 | \$ 7,764,224 |
| Additions in the period | | | |
| Engineering and consulting | - | 54,672 | 54,672 |
| Camp costs | - | 7,403 | 7,403 |
| Board and travel | - | 466 | 466 |
| Assays | - | 11,308 | 11,308 |
| Reports and mapping | - | 3,088 | 3,088 |
| Transportation | - | (604) | (604) |
| Equipment rental | - | 300 | 300 |
| Amortization of field equipment | - | 771 | 771 |
| | - | 77,404 | 77,404 |
| Balance, April 30, 2015 | \$ - | \$ 7,841,628 | \$ 7,841,628 |
| Total Balance, April 30, 2015 | \$ 1 | \$ 8,464,139 | \$ 8,464,140 |

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (Continued)

Mineral property costs for the three month period ended October 31, 2014, comprise:

| | WHISKEY JACK CREEK PROPERTY | EAGLEHEAD PROPERTY | TOTAL |
|---|-----------------------------------|-----------------------|---------------------|
| Property Acquisition Costs | | | |
| Balance, July 31, 2014 | \$ 1 | \$ 622,511 | \$ 622,512 |
| Additions in the period | - | - | - |
| Balance October 31, 2014 | \$ 1 | \$ 622,511 | \$ 622,512 |
| Deferred Exploration Expenditures | | | |
| Balance, July 31, 2014 | \$ - | \$ 7,132,572 | \$ 7,132,572 |
| Additions in the period | | | |
| Survey and geological | | 64,375 | 64,375 |
| Drilling | | 340,849 | 340,849 |
| Engineering and consulting | - | 97,885 | 97,885 |
| Camp costs | - | 95,376 | 95,376 |
| Supplies | - | 8,324 | 8,324 |
| Board and travel | - | 56,687 | 56,687 |
| Assays | - | 51,906 | 51,906 |
| Transportation | - | 2,728 | 2,728 |
| Labour and technicians | - | 49,990 | 49,990 |
| Equipment rental | - | 18,500 | 18,500 |
| Amortization of field equipment | - | 638 | 638 |
| B.C. Mining Exploration Tax Credit receivable | - | (157,753) | (157,753) |
| Social licence | - | 2,147 | 2,147 |
| | - | 631,652 | 631,652 |
| Balance, October 31, 2014 | \$ - | \$ 7,764,224 | \$ 7,764,224 |
| Total Balance, October 31, 2014 | \$ 1 | \$ 8,386,735 | \$ 8,386,736 |

a) Whiskey Jack Creek Property

Prior to August 1, 2010, and per an option agreement, the Company acquired a 100% interest, subject to a 3% net smelter return royalty, in three mineral claims located in Cairo Townships, Ontario, known as the Whiskey Jack Creek Property. Considerations for the acquisition were cash payments totalling \$45,000. The Company also incurred exploration expenditures in excess of \$200,000, the minimum requirement per the option agreement.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Whiskey Jack Creek Property (Continued)

Upon commencement of commercial production on the property, the Company shall pay the optionor a 3% net smelter return royalty to be reduced to 1% after the payment of \$2,000,000 in royalty payments.

The Company acquired an additional 5 claims through staking, consisting of 41 units adjoining the Whiskey Jack Creek Property to the south and east.

Prior to August 1, 2010, the Company entered into an Earning Option Agreement with Alexandria Minerals Corporation ("AMC"), whereby the Company granted to AMC the right to explore and acquire a 50% interest in the 41 units owned by the Company adjoining the Whiskey Jack Creek Property, and to acquire a 50% interest in the rights to the Whiskey Jack Creek Property held by the Company. The agreement is subject to a 3% net smelter return royalty, 2% of which can be purchased by AMC for \$500,000 per ½%.

AMC earned its 50% interest in the property by issuing a total of 100,000 common shares of AMC with a fair value of \$16,000 and paying \$25,000 total cash payments. AMC incurred exploration expenditures in excess of the \$300,000 minimum amount required under the agreement. A joint venture is to be established and the parties are currently negotiating the agreement, which will designate a 50% interest for each of the Company and AMC to further develop the property; and AMC will be the operator and manager of the property.

At July 31, 2014 the Company had no current 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. The Company has incurred no additional costs on the property subsequent to July 31, 2014.

b) Eaglehead Property

The Company has an agreement, effective October 31, 2005, with two former directors of the Company, to acquire a 100% interest in the Eaglehead Property claims, subject to a 2.5% net smelter return royalty, located near the Dease Lake area of north central British Columbia.

During the year ended July 31, 2008, the Company successfully staked an additional six claims adjoining the Eaglehead Property to the southeast, and also completed all the terms of the acquisition agreement including minimum cash payments totalling \$350,000, issuing 300,000 common shares and spending a minimum of \$6,000,000 in exploration and development costs and earned its 100% interest in the property.

During the year ended July 31, 2014, the Company acquired from Copper Fox Metals Inc. four mineral tenures comprising 2,130 hectares. Three of the mineral tenures comprising of 981 hectares are subject to a 2% Net Smelter Return Royalty, one-half (1%) of which may be purchased for \$1,000,000. The tenures were acquired for \$11,011, which was the cost of acquisition to Copper Fox Metals Inc.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

8. DECOMMISSIONING PROVISION

The decommissioning provision for the Eaglehead exploration and evaluation assets was estimated by management based on the Company's ownership interest, the estimated timing of the risk adjusted costs to be incurred in future periods and the Company's risk free interest rate of 1.63% at April 30, 2015. The Company has estimated the net present value of this provision at April 30, 2015 to be \$35,185 based on a total undiscounted liability of \$36,500. This undiscounted cost was determined by using a risk adjusted rate of inflation of 5% annually. These costs are expected to be incurred in 2017.

| | APRIL 30 2015 | OCTOBER 31 2014 |
|------------------------------|--------------------------|----------------------------|
| Balance, beginning of period | \$ 34,903 | \$ 34,762 |
| Decommissioning provision | - | - |
| Accretion | 282 | 141 |
| Balance, end of period | \$ 35,185 | \$ 34,903 |

9. SHARE CAPITAL

a) Authorized

An unlimited number of common shares without par value

b) Issued and Outstanding

During the six month period ended April 30, 2015, the Company incurred the following share issuances;

- i) On December 23, 2014, the Company issued 3,000,000 units at \$0.05 each pursuant to a private placement for gross proceeds of \$150,000. Each unit consists of one flow-through common share and one share purchase warrant. Each share purchase warrant is exercisable into one non-flow through-common share at \$0.10 until December 23, 2016. Finders fees of \$12,000 were paid pursuant to this financing.
- ii) On January 14, 2015, the Company issued 2,180,450 units to Northern Fox Copper Inc. a subsidiary of Copper Fox Metals Inc., at a price of \$0.05 per unit for total aggregate proceeds of \$109,023 pursuant to the pre-emptive and non-dilution rights included in the letter agreement between Copper Fox and the Company as detailed in Note 11. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share at \$0.10 until January 14, 2017.

Subsequent to the above issuance, Copper Fox indirectly controls approximately 42.09% of the issued common shares of the Company.

The Company also incurred other share issuance costs comprising legal fees and filing fees amounting to \$24,073 in connection with the above two financings.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

c) Issued and Outstanding (Continued)

During the three month period ended October 31, 2014 the Company incurred the following share issuance;

On September 25, 2014, the Company issued 3,386,078 units to Northern Fox Copper Inc. a subsidiary of Copper Fox Metals Inc., at a price of \$0.07 per unit for total aggregate proceeds of \$237,025. (Note 13) 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.

The Company incurred no finders' fees in relation to the private placement. Other share issuance costs comprising legal fees and filing fees were incurred which amounted to \$10,279.

c) Warrants

A summary of changes in share purchase warrants for the six month period ended April 30, 2015 and the three month period ended October 31, 2014 is presented below:

| | SIX MONTHS ENDED APRIL 30, 2015 | | THREE MONTHS ENDED OCTOBER 31, 2014 | |
|------------------------------|------------------------------------|--|--|--|
| | NUMBER | WEIGHTED AVERAGE EXERCISE PRICE | NUMBER | WEIGHTED AVERAGE EXERCISE PRICE |
| Balance, beginning of period | 28,046,078 | \$ 0.077 | 24,660,000 | \$ 0.075 |
| Issued | 5,180,450 | 0.10 | 3,386,078 | 0.09 |
| Expired | - | - | - | - |
| Balance, end of period | <u>33,226,528</u> | <u>\$ 0.08</u> | <u>28,046,078</u> | <u>\$ 0.077</u> |

As at April 30, 2015 share purchase warrants were outstanding for the purchase of common shares as follows:

| NUMBER OF WARRANTS | PRICE PER WARRANT | NUMBER EXERCISABLE AT APRIL 30, 2015 | EXPIRY DATE |
|--------------------------|-------------------------|---|--------------------|
| 20,000,000 | \$ 0.075 | 20,000,000 | May 28, 2016 |
| 4,660,000 | \$ 0.075 | 4,660,000 | July 9, 2016 |
| 3,386,078 | \$ 0.09 | 3,386,078 | September 25, 2016 |
| 3,000,000 | \$ 0.10 | 3,000,000 | December 23, 2016 |
| 2,180,450 | \$ 0.10 | 2,180,450 | January 14, 2017 |
| <u>33,226,528</u> | | <u>33,226,528</u> | |

As at April 30, 2015, the weighted average remaining contractual life of the share purchase warrants was 1.21 years and the weighted average exercise price was \$0.08

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

10. SHARE BASED PAYMENTS

Stock Options

The Company has a fixed stock option plan which follows the policies of the TSX Venture Exchange ("TSX-V") regarding stock option awards granted to directors, officers, employees and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan.

A summary of changes in stock options for the six months ended April 30, 2015 and the three months ended October 31, 2014 is presented below:

| | SIX MONTHS ENDED APRIL 30, 2015 | | THREE MONTHS ENDED OCTOBER 31, 2014 | |
|------------------------------|------------------------------------|--|--|--|
| | NUMBER | WEIGHTED AVERAGE EXERCISE PRICE | NUMBER | WEIGHTED AVERAGE EXERCISE PRICE |
| Balance, beginning of period | 4,800,000 | \$ 0.07 | 5,250,000 | \$ 0.10 |
| Cancelled* | (400,000) | (0.08) | (1,200,000) | (0.21) |
| Granted | 900,000 | 0.05 | 750,000 | 0.10 |
| Balance, end of period | <u>5,300,000</u> | \$ 0.07 | <u>4,800,000</u> | \$ 0.07 |

* During the six months ended April 30, 2015 \$21,956 (three months ended October 31, 2014, \$218,541) related to cancelled options was credited to deficit.

As at April 30, 2015, options were outstanding for the purchase of common shares as follows:

| NUMBER OF SHARES | PRICE PER SHARE | NUMBER EXERCISABLE AT APRIL 30, 2015 | EXPIRY DATE |
|------------------------|-----------------------|---|--------------------|
| 3,750,000 | \$ 0.07 | 4,050,000 | July 9, 2019 |
| 650,000 | \$ 0.10 | 487,500 | September 12, 2016 |
| 900,000 | \$ 0.05 | 900,000 | April 29, 2020 |
| <u>5,300,000</u> | <u>\$ 0.07</u> | <u>5,437,500</u> | |

As at April 30, 2015, the weighted average remaining contractual life of the options was 4.81 years (October 31, 2014 – 4.21 years) and the weighted average exercise price was \$0.07 (October 31, 2014 - \$0.7).

Compensation costs attributable to the granting and vesting of share options are measured at fair value and expensed with a corresponding increase to share-based payment reserve. Upon exercise of the stock options, consideration paid by the option holder together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. Upon expiry, the amounts recorded for share-based compensation are transferred to the deficit from the share-based payment reserve.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

10. SHARE BASED PAYMENTS (Continued)

Options Issued to Employees

The fair value measured at the grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, expected forfeitures, the term of the option, the share price at grant date and the expected volatility of the underlying share, the dividend yield and the risk free interest rate of the option.

During the six months ended April 30, 2015, the Company recorded \$34,500 (six month period ended April 30, 2014 - \$nil) in share-based payment expense for options accruing or vesting during the period.

Options Issued to Non-Employees

Options issued to non-employees are measured based on the fair value of the goods or services received at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

During the six month period ended April 30, 2015, the Company did not issue any options to non-employees.

The fair value of each stock option granted to employees is estimated on the date of grant. The fair value of stock options granted to non-employees that vest over time, are re-valued at each vesting period. All stock options are estimated using the Black-Scholes option-pricing model with weighted average assumptions as follows:

| | SIX MONTHS ENDED APRIL 30, 2015 | THREE MONTHS ENDED OCTOBER 31 2014 |
|------------------------------|--|---|
| Risk free interest rate | 0.70% | 1.10% |
| Expected life | 4.08 years | 2 years |
| Expected volatility | 142% | 144% |
| Expected forfeiture | - | - |
| Expected dividend yield | - | - |
| Fair value of options issued | \$0.03 | \$0.06 |

11. RELATED PARTY TRANSACTIONS

On May 29, 2014, Copper Fox Metals Inc. through its 100% owned subsidiary, Northern Fox Copper Inc. acquired 20,000,000 units of the Company. Units consisted 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 42.09% 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.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

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.

Subsequent to entering into the agreement with the Company, Copper Fox has exercised its right to acquire shares of the Company pursuant to the right to maintain its equity investment at 42.09% on two occasions as follows:

On September 25, 2014, the Company issued 3,386,078 units to Northern Fox Copper Inc. a subsidiary of Copper Fox Metals Inc., at a price of \$0.07 per unit for total aggregate proceeds of \$237,025. 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.

On January 14, 2015, the Company issued 2,180,450 units to Northern Fox Copper Inc. a subsidiary of Copper Fox Metals Inc., at a price of \$0.05 per unit for total aggregate proceeds of \$109,023. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share at \$0.10 until January 14, 2017.

Subsequent to the January 14, 2015 issuance, Copper Fox indirectly controls approximately 42.09% of the issued common shares of the Company.

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.

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 includes 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.

At April 30, 2015, included in accounts payable and accrued liabilities is \$nil (October 31, 2014 - \$102) owing to a company controlled by a director, \$nil (October 31, 2014 - \$95,115) owing to a company with a common director and \$6,250 (October 31, 2014 - \$7,468) 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.

At April 30, 2015, included in other receivables is \$1,000 owing from a director pursuant to an advance made for expenses to be incurred.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (Continued)

During the six month periods ended April 30, 2015 and April 30, 2014, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

| | APRIL 30 2015 | APRIL 30 2014 |
|-----------------------------------|------------------|------------------|
| Balance Sheet Items | | |
| Exploration and evaluation assets | \$ 21,825 | \$ 14,205 |
| | \$ 21,825 | \$ 14,025 |
| Statement of Operations Items | | |
| Consulting | \$ 6,500 | \$ 948 |
| Management fees | 48,000 | 30,000 |
| Office administration | 9,000 | 13,500 |
| Professional fees | 12,550 | 9,500 |
| Rent | 6,900 | 13,800 |
| Share-based payments | 30,900 | - |
| | \$ 113,850 | \$ 67,748 |

12. CAPITAL DISCLOSURES

The Company was formed for the purpose of acquiring exploration and development stage natural resource properties. The Board of Directors determines the Company's capital structure and makes adjustments to it based on funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The directors have not established a quantitative return on capital criteria for capital management.

The Company holds two mineral properties and generates no revenue. Accordingly, the Company will be dependent in the future upon external financing to fund future exploration programs and its administrative costs. The Company will spend existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if management feels there is sufficient geologic or economic potential, provided it has adequate financial resources to do so.

The Board of Directors reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Company, is reasonable.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in the Statement of Changes in Equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

CARMAX MINING CORP.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

Level 3 – Applies to assets or liabilities for which there are unobservable market data.

Financial assets measured at fair value on a recurring basis:

| | FAIR VALUE INPUT LEVEL | AS AT APRIL 30, 2015 | | AS AT OCTOBER 31, 2014 | |
|-----------------------|---------------------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | | CARRYING AMOUNT | ESTIMATED FAIR VALUE | CARRYING AMOUNT | ESTIMATED FAIR VALUE |
| Financial Assets: | | | | | |
| Cash | 1 | \$ 712,244 | \$ 712,244 | \$ 75,656 | \$ 75,656 |
| Short term investment | 1 | \$ - | \$ - | \$ 251,115 | \$ 251,115 |
| Investment | 1 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |

Due to the relatively short term liquidity of reclamation deposits and accounts payable and accrued liabilities, the fair value of these instruments approximate their carrying values.

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 April 30, 2015, the Company held cash and short term investments aggregating \$717,244 (October 31, 2014 - \$326,771) and had current liabilities of \$14,937 (October 31, 2014 - \$190,272). All of the Company's liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2015 (Unaudited) (Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

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 April 30, 2015, 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.

14. SUBSEQUENT EVENTS

Subsequent to the period end:

- a) Stock options to acquire 200,000 common shares at \$0.07 and 100,000 common shares at \$0.10 were cancelled.
- b) On May 1, 2015, the Company issued 11,000,000 to Northern Fox Copper Inc. a subsidiary of Copper Fox Metals Inc., at a price of \$0.05 per unit for total aggregate proceeds of \$550,000 pursuant to a private placement. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable into one common share at \$0.075 until May 1, 2017. No finders fees were paid pursuant to this financing. As at April 30, 2015, the Company had received share subscriptions for 11,000,000 units for aggregate proceeds of \$550,000, and had incurred filing fees which have been recorded as deferred financing fees of \$3,500.

As a result of this issuance Copper Fox Metals Inc now has a controlling interest of the Company comprising approximately 50.97% of the issued and outstanding common shares of the Company.