



**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED  
JULY 31, 2015**

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

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

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee. The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established for a review of interim financial statements by an entity's auditors.

**CARMAX MINING CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**(Unaudited)**  
**(Expressed in Canadian Dollars)**

	July 31, 2015	October 31, 2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 438,169	\$ 75,656
Short term investments	-	251,115
GST receivable	20,776	42,916
B.C. Mining Exploration Tax Credit receivable	286,483	316,321
Prepaid expenses	1,000	31,493
Deferred financing fees	3,500	-
<b>Total Current Assets</b>	<b>749,928</b>	<b>717,501</b>
<b>Equipment</b>	<b>-</b>	<b>771</b>
<b>Investment (Note 5)</b>	<b>3,000</b>	<b>5,000</b>
<b>Reclamation Deposits (Note 6)</b>	<b>135,000</b>	<b>135,000</b>
<b>Exploration and Evaluation Assets (Note 7)</b>	<b>8,863,067</b>	<b>8,386,736</b>
<b>Total Assets</b>	<b>\$ 9,750,995</b>	<b>\$ 9,245,008</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 221,478	\$ 190,272
<b>Decommissioning Provision (Note 8)</b>	<b>35,326</b>	<b>34,903</b>
<b>Total Liabilities</b>	<b>256,804</b>	<b>225,175</b>
<b>Equity</b>		
Share capital (Note 9)	14,530,597	13,768,130
Share-based payment reserve	286,225	270,399
Accumulated other comprehensive loss	(21,500)	(19,500)
Deficit	(5,301,131)	(4,999,196)
<b>Total Equity</b>	<b>9,494,191</b>	<b>9,019,833</b>
<b>Total Liabilities and Equity</b>	<b>\$ 9,750,995</b>	<b>\$ 9,245,008</b>

These condensed interim financial statements were approved and authorized for issue by behalf of the Board of Directors on September 21, 2015 by:

<p>“Jevin Werbes”          _____          Chief Executive Officer</p>	<p>“Chris Healey”          _____          Director</p>
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*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		Nine Months Ended	
	July 31, 2015	July 31, 2014	July 31, 2015	July 31, 2014
<b>Operating Expenses</b>				
Accretion	\$ 141	\$ 141	\$ 423	\$ 422
Consulting	37,750	15,500	125,250	36,948
Insurance	20,924	3,750	29,108	3,750
Management fees	-	15,000	-	45,000
Office and sundry	4,292	10,454	27,161	27,889
Professional fees	1,200	13,933	25,231	31,698
Promotion and entertainment	6,926	4,917	15,496	11,428
Rent	1,250	6,900	8,150	20,700
Shareholder communications	2,865	8,647	27,463	11,188
Share-based payments	3,282	239,900	37,782	239,900
Transfer agent, regulatory fees	8,277	6,534	16,586	21,084
Travel	7,899	948	12,796	3,386
<b>Loss Before Non-Operating Items</b>	<b>(94,806)</b>	<b>(326,624)</b>	<b>(325,446)</b>	<b>(453,393)</b>
<b>Non-Operating Income</b>				
Interest income	387	2,509	1,557	9,271
Loss on write-off of expl'n. asset	-	-	-	(478,391)
<b>Net Loss For The Period</b>	<b>(94,420)</b>	<b>(324,115)</b>	<b>(323,889)</b>	<b>(922,513)</b>
<b>Other Comprehensive Loss</b>				
Unrealized gain on AFS investment	-	3,000	-	1,000
<b>Comprehensive Loss</b>	<b>(94,420)</b>	<b>(321,115)</b>	<b>(323,889)</b>	<b>(921,513)</b>
<b>Basic and Fully Diluted Loss Per Share</b>				
	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
<b>Weighted Average Number Of Shares Outstanding</b>				
	63,227,750	27,515,998	63,227,750	31,293,375

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

**CARMAX MINING CORP.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD OF NOVEMBER 1, 2013 TO OCTOBER 31, 2014**  
**(Unaudited)**  
**(Expressed in Canadian Dollars)**

	Shares	Amount	Share-Based Payment Reserve	Acc. Other Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance November 1, 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
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)
<b>Balance October 31, 2014</b>	<b>55,562,076</b>	<b>\$ 13,768,130</b>	<b>\$ 270,399</b>	<b>\$ (19,500)</b>	<b>\$ (4,999,196)</b>	<b>\$ 9,019,833</b>

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

**CARMAX MINING CORP.**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD OF NOVEMBER 1, 2014 TO JULY 31, 2015**  
(Unaudited)  
(Expressed in Canadian Dollars)

	Shares	Amount	Share-Based Payment Reserve	Share Subscriptions Received	Acc. Other Comprehensive Loss	Deficit	Total Shareholders' Equity
Balance, November 1, 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-based comp. (Note 10)	-	-	5,000	-	-	-	5,000
Net loss for the period	-	-	-	-	-	(111,666)	(111,666)
Balance, January 31, 2015	60,742,526	13,991,080	275,399	-	(19,500)	(5,110,862)	9,136,117
Share subscriptions received	-	-	-	550,000	-	-	550,000
Share-based compensation, exp.	-	-	(21,956)	-	-	21,956	-
Share-based comp. (Note 10)	-	-	29,500	-	-	-	29,500
Net loss for the period	-	-	-	-	-	(117,805)	(117,805)
Balance, April 30, 2015	60,742,526	13,991,080	282,943	550,000	(19,500)	(5,206,711)	9,597,762
Shares issued for cash (Note 9)	11,000,000	550,000	-	(550,000)	-	-	-
Share issuance costs (Note 9)	-	(10,483)	-	-	-	-	(10,483)
Share subscriptions received	-	-	-	-	-	-	-
Revaluation of inv. to mkt. value	-	-	-	-	(2,000)	-	(2,000)
Share-based comp. (Note 10)	-	-	3,282	-	-	-	3,282
Net loss for the period	-	-	-	-	-	(94,420)	(94,420)
<b>Balance July 31, 2015</b>	<b>71,742,526</b>	<b>\$ 14,530,597</b>	<b>\$ 286,225</b>	<b>\$ -</b>	<b>\$ (21,500)</b>	<b>\$ (5,301,131)</b>	<b>\$ 9,494,141</b>

*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)**

	<b>Nine Months Ended</b>	
	<b>July 31, 2015</b>	<b>July 31, 2014</b>
<b>Cash Provided By (Used In) Operating Activities</b>		
Net loss for the period	\$ (323,889)	\$ (960,163)
<i>Items not affecting cash:</i>		
Accretion	423	562
Accrued interest	1,115	(1,015)
Share-based payments	37,782	239,900
Write-off of exploration and evaluation assets	-	478,391
	<b>(284,569)</b>	<b>(242,325)</b>
<i>Changes in non-cash working capital items:</i>		
Prepaid expenses	30,493	(42,261)
Exploration advances	-	(80,000)
Other receivables	22,141	(22,868)
Accounts payable and accrued liabilities	(60,186)	24,978
<b>Cash Outflows From Operating Activities</b>	<b>(292,121)</b>	<b>(362,476)</b>
<b>Cash Provided By (Used in) Investing Activities</b>		
Short term investments (net)	250,000	(450,000)
Exploration and evaluation assets	(384,169)	(564,285)
B.C. Mining Exploration Tax Credit received	29,838	464,239
<b>Cash Outflows from Investing Activities</b>	<b>(104,331)</b>	<b>(550,046)</b>
<b>Cash Provided By (Used in) Financing Activities</b>		
Proceeds from share issuances	809,022	1,233,000
Share issue costs	(46,556)	(58,458)
Deferred financing costs	(3,500)	-
<b>Cash Inflows From Financing Activities</b>	<b>758,966</b>	<b>1,174,542</b>
Increase In Cash and Cash Equivalents For The Period	362,513	262,020
Cash and Cash Equivalents, Beginning Of Period	75,656	28,518
<b>Cash and Cash Equivalents, End Of Period</b>	<b>\$ 438,169</b>	<b>\$ 290,538</b>
<b>Supplemental Cash Flow Information</b>		
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 July 31, 2015  
(Unaudited) (Expressed in Canadian Dollars)

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### **1. NATURE OF OPERATIONS**

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

The Company maintains its head office at 142-1146 Pacific Blvd., Vancouver, British Columbia, Canada, V6Z 2X7.

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 consolidated interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

They do not include all information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements 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 September 21, 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



## **CARMAX MINING CORP.**

Notes to the condensed interim financial statements for the three and nine months ended July 31, 2015  
(Unaudited) (Expressed in Canadian Dollars)

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### **2. BASIS OF PRESENTATION (Continued)**

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.

### **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 annual financial statements as at 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

## **CARMAX MINING CORP.**

Notes to the condensed interim financial statements for the three and nine months ended July 31, 2015  
(Unaudited) (Expressed in Canadian Dollars)

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### **4. USE OF ESTIMATES AND JUDGEMENTS (Continued)**

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 the dividend yield. 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 of rehabilitation obligations.

## **CARMAX MINING CORP.**

Notes to the condensed interim financial statements for the three and nine months ended July 31, 2015  
(Unaudited) (Expressed in Canadian Dollars)

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### **4. USE OF ESTIMATES AND JUDGEMENTS (Continued)**

#### 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 outcomes of which are 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 for 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 is 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 impaired in the statement of operations during the period the new information becomes available.

##### *Income taxes*

Significant judgment is required in determining the provision for future 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.

## CARMAX MINING CORP.

Notes to the condensed interim financial statements for the three and nine months ended July 31, 2015  
(Unaudited) (Expressed in Canadian Dollars)

### 5. INVESTMENT

	July 31, 2015	July 31, 2014
Alexandria Minerals Corporation – 100,000 common shares, quoted at market value.	\$ 3,000	\$ 5,000

### 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 British Columbia Inspector of Mines. The reclamation deposits are being held in term deposits at various interest rates.

### 7. EXPLORATION AND EVALUATION ASSETS

Mineral property costs for the nine month period ended July 31, 2015 are:

	Eaglehead Property
Property acquisition costs, as at October 31, 2014	\$ 622,512
Deferred exploration costs, as at October 31, 2014	7,764,226
<b>Balance as at October 31, 2014</b>	<b>8,386,738</b>

*Additions during the period:*

Amortization of field equipment	771
Assays	11,308
B.C. Mining Exploration Tax Credit receivable	29,838
Camp costs	37,840
Drilling	94,439
Engineering and consulting	129,861
Equipment rental	300
Reports and mapping	3,088
Storage	2,000
Supplies	13,486
Survey and geological	13,289
Technicians and labour	15,523
Transportation	9,651
Travel	45,810
Wages	69,125
<b>Total for the period</b>	<b>476,329</b>
<b>Balance as at July 31, 2015</b>	<b>\$ 8,863,066</b>

## CARMAX MINING CORP.

Notes to the condensed interim financial statements for the three and nine months ended July 31, 2015  
(Unaudited) (Expressed in Canadian Dollars)

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### 7. EXPLORATION AND EVALUATION ASSETS (Continued)

#### Eaglehead Property

The Company entered into 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, completing 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. This gave the Company 100% ownership of 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.

### 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 July 31, 2015. The Company has estimated the net present value of this provision at July 31, 2015 to be \$35,326 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.

	July 31, 2015	October 31, 2014
<b>Balance, beginning of period:</b>	\$ 34,903	\$ 34,762
Decommissioning provision	-	-
Accretion	423	141
<b>Balance, end of period:</b>	\$ 35,326	\$ 34,903

### 9. SHARE CAPITAL

#### a) Authorized

An unlimited number of common shares without par value.

## CARMAX MINING CORP.

Notes to the condensed interim financial statements for the three and nine months ended July 31, 2015  
(Unaudited) (Expressed in Canadian Dollars)

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### 9. SHARE CAPITAL (Continued)

#### *b) Issued and Outstanding*

During the nine month period ended July 31, 2015, the Company incurred the following share issuances;

- 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 callable 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.
- 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.

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.

- 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 July 31, 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 50.97% of the issued and outstanding common shares of the Company.

## CARMAX MINING CORP.

Notes to the condensed interim financial statements for the three and nine months ended July 31, 2015  
(Unaudited) (Expressed in Canadian Dollars)

### 9. SHARE CAPITAL (Continued)

#### c) Warrants

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

	Nine Months Ended July 31, 2015		Three Months Ended October 31, 2014	
	Amount	Weighted Average Exercise Price	Amount	Weighted Average Exercise Price
Balance, beginning of period:	28,046,078	\$ 0.077	24,660,000	\$ 0.075
Issued	16,180,450	0.083	3,386,078	0.09
Expired	-	-	-	-
<b>Balance, end of period:</b>	<b>44,226,528</b>	<b>\$ 0.079</b>	<b>28,046,078</b>	<b>\$ 0.077</b>

As at July 31, 2015 share purchase warrants were outstanding for the purchase of common shares as follows:

Amount of Warrants	Price Per Warrant	Amount Exercisable On July 31, 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
11,000,000	\$ 0.075	11,000,000	May 1, 2017
<b>44,226,528</b>		<b>44,226,528</b>	

As at July 31, 2015, the weighted average remaining contractual life of the share purchase warrants was 1.16 years and the weighted average exercise price was \$0.079.

### 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.

## CARMAX MINING CORP.

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### 10. SHARE BASED PAYMENTS (Continued)

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

	Nine Months Ended July 31, 2015		Three Months Ended October 31, 2014	
	Amount of Shares	Weighted Average Exercise Price	Amount	Weighted Average Exercise Price
Balance, beginning of period:	4,800,000	\$ 0.07	5,250,000	\$ 0.10
Cancelled	(700,000)	(0.08)	(1,200,000)	(0.21)
Granted	900,000	0.05	750,000	0.10
<b>Balance, end of period</b>	<b>5,000,000</b>	<b>\$ 0.07</b>	<b>4,800,000</b>	<b>\$ 0.07</b>

As at July 31, 2015, options were outstanding for the purchase of common shares as follows:

Amount of Shares	Price Per Share	Amount Exercisable On July 31, 2015	Expiry Date
550,000	\$ 0.10	550,000	September 12, 2016
3,550,000	\$ 0.07	3,550,000	July 9, 2019
900,000	\$ 0.05	900,000	April 29, 2020
<b>5,000,000</b>	<b>\$ 0.07</b>	<b>5,000,000</b>	

As at July 31, 2015, the weighted average remaining contractual life of the options was 3.78 years (October 31, 2014 – 4.21 years) and the weighted average exercise price was \$0.07 (October 31, 2014 - \$0.07).

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.

#### *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, the expected volatility of the underlying share, the dividend yield and the risk free interest rate of the option.



## CARMAX MINING CORP.

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### 10. SHARE BASED PAYMENTS (Continued)

During the nine months ended July 31, 2015, the Company recorded \$37,782 (nine month period ended July 31, 2014 - \$239,900) 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 nine month period ended July 31, 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:

	<b>Nine Months Ended July 31, 2015</b>	Three Months Ended October 31, 2014
Risk free interest rate	<b>0.83%</b>	1.10%
Expected life	<b>1.25 years</b>	2 years
Expected volatility	<b>153%</b>	144%
Expected forfeiture	-	-
Expected dividend yield	-	-
Fair value of options issued	<b>\$0.02</b>	\$0.06

### 11. RELATED PARTY TRANSACTIONS

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.

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 July 31, 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.

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### 11. RELATED PARTY TRANSACTIONS (Continued)

As a result of this issuance Copper Fox Metals Inc. now has a controlling interest of the Company comprising 50.97% of the issued and outstanding 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 then includes a non-controlling interest portion of the assets and liabilities in 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 of the Company's activities, and include both executive and non-executive directors, as well as entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

At July 31, 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 \$5,460 (October 31, 2014 - \$7,468) owing to a company controlled by an officer for services rendered to the Company. In addition, the Company owed Copper Fox Metals Inc. \$64,910 (October 31, 2014 - \$95,115). The amounts payable are non-interest bearing, unsecured and have no specific terms of repayment.

During the nine month periods ended July 31, 2015 and July 31, 2014, the Company also incurred the following expenses charged by key management personnel and companies directly controlled by key management personnel.

	July 31, 2015	July 31, 2014
<i>Balance Sheet Items:</i>		
Exploration and evaluation assets	\$ 21,825	\$ 74,286
<b>Total</b>	<b>\$ 21,825</b>	<b>\$ 74,286</b>
<i>Statement of Operations Items:</i>		
Consulting	\$ 86,000	\$ 948
Management fees	-	60,000
Office administration	9,000	27,000
Professional fees	18,010	14,500
Rent	8,150	27,600
Share-based payments	30,900	222,130
<b>Total</b>	<b>\$ 152,060</b>	<b>\$ 352,178</b>

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### 12. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital, share options, SARs and warrants. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative returns on capital criteria for management.

The mineral properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. Additional sources of funding, which may not be available on favourable terms, if at all, include: share equity and debt financings; equity, debt or property level joint ventures; and sale of interests in existing assets. In order to carry out the planned exploration and development and pay for operating expenses, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended July 31, 2015. The Company is not subject to externally imposed capital requirements. The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments; all held within major Canadian financial institutions.

### 13. FINANCIAL INSTRUMENTS AND RISKS MANAGEMENT DISCLOSURES

The Company's financial assets and financial liabilities are categorized as follows:

		As At July 31, 2015		As At October 31, 2014	
	Input Level	Carrying Amount	Estimated Fair value	Carrying Amount	Estimated Fair Value
<i>Financial Assets:</i>					
Cash	1	\$ 438,169	\$ 438,169	\$ 75,656	\$ 75,656
Short term investments	1	\$ -	\$ -	\$ 251,115	\$ 251,115
Investment	1	\$ 3,000	\$ 3,000	\$ 5,000	\$ 5,000
<b>Total</b>		<b>\$ 441,169</b>	<b>\$ 441,169</b>	<b>\$ 331,771</b>	<b>\$ 331,771</b>

		As At July 31, 2015		As At October 31, 2014	
	Input Level	Carrying Amount	Estimated Fair value	Carrying Amount	Estimated Fair Value
<i>Financial Liabilities:</i>					
Accounts Payable	1	\$ 221,478	\$ 221,478	\$ 75,656	\$ 75,656
<b>Total</b>		<b>\$ 221,478</b>	<b>\$ 221,478</b>	<b>\$ 75,656</b>	<b>\$ 75,656</b>

## **CARMAX MINING CORP.**

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### **13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT DISCLOSURES (Continued)**

#### Fair Value

The estimated fair values, established by IFRS 7, of cash, short term investments and accounts payable approximate their respective carrying values due to the immediate or short period to maturity. The available for sale investments are carried at fair values based on the published or electronic market price quotation.

The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

*Level 1* - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets;

*Level 2* - Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

*Level 3* - Significant unobservable (no market data available) inputs which are supported by little or no market activity.

#### **Risk Management**

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 does not currently generate any revenues from sales to customers nor does it hold derivative type instruments that would require a counterparty to fulfil a contractual obligation. The Company does not have any asset-backed commercial instruments. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and short term investments. To minimize the credit risk the Company places cash with the high credit quality financial institutions. The Company considers its exposure to credit risk to be insignificant.

##### b) Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk and requirements by maintaining sufficient cash and cash equivalent balances and or through additional financings to ensure that there is sufficient capital in order to meet short term obligations. As at July 31, 2015, the Company has cash and short term investments aggregating \$441,169 (October 31, 2014 - \$331,771) and financial liabilities of \$221,478 (October 31, 2014 - \$190,272) which have contractual maturities of 30 days or less. The Company will require additional sources of equity, joint venture partnership or debt financing to fund ongoing operations and the exploration and development of its mineral properties.

## **CARMAX MINING CORP.**

Notes to the condensed interim financial statements for the three and nine months ended July 31, 2015  
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### **13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT DISCLOSURES (Continued)**

In the event that the Company is not able to obtain adequate additional funding to continue as a going concern, material adjustments would be required to both the carrying value and classification of assets and liabilities on the consolidated statement of financial position. It is not possible to predict, due to many external factors including commodity prices and equity market conditions, as to whether future financing will be successful or available at all.

#### c) Market Risk

##### *i) Interest Rate Risk*

The Company manages its interest rate risk by obtaining commercial deposit interest rates available in the market by the major Canadian financial institutions on its cash and short term investments.

##### *ii) Foreign Exchange 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, 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.