CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
JANUARY 31, 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 months ended January 31, 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)

	JANUARY 31 2015	OCTOBER 31 2014
ASSETS		
Current Assets		
Cash	$ 299,500	$ 75,656
Short term investments	-	251,115
Other receivables	48,145	42,916
B.C. Mining Exploration Tax Credit receivable	316,321	316,321
Prepaid expenses	12,236	31,493
Total Current Assets	676,202	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)	8,408,073	8,386,736
Total Assets	$ 9,224,275	$ 9,245,008
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 53,114	$ 190,272
Decommissioning Provision (Note 8)	35,044	34,903
Total Liabilities	88,158	225,175
Equity		
Share capital (Note 9)	13,991,080	13,768,130
Share-based payment reserve	275,399	270,399
Accumulated other comprehensive loss	(19,500)	(19,500)
Deficit	(5,110,862)	(4,999,196)
Total Equity	9,136,117	9,019,833
Total Liabilities and Equity	$ 9,224,275	$ 9,245,008

These condensed interim financial statements were approved and authorized for issue by behalf of the Board of Directors on March 31, 2015 by:

"Jevin Werbes"	"Chris Healey"
Chief Executive Officer	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 JANUARY 31 2015	2014
Expenses		
Accretion expense	**$ 141**	$ 140
Consulting	**19,250**	9,648
Insurance	**4,092**	-
Management fees (Note 11)	**24,000**	15,000
Office and sundry (Note 11)	**11,220**	7,751
Professional fees (Note 11)	**18,881**	11,856
Promotion and entertainment	**4,065**	2,142
Rent (Note 11)	**6,900**	6,900
Share-based payments (Note 10)	**5,000**	-
Shareholder communications	**17,462**	784
Transfer agent and regulatory fees	**547**	5,448
Travel	**975**	607
Loss Before Other Item	**(112,533)**	(60,276)
Other Item		
Interest income	**867**	1,538
	867	1,538
Net Loss For The Period	**(111,666)**	(58,738)
Other Comprehensive Income		
Net unrealized (loss) gain arising on available for sale investments during the period	**-**	(1,000)
Comprehensive Loss	**$ (111,666)**	$ (59,738)
Basic and Fully Diluted Loss Per Share	**$ (0.00)**	$ (0.00)
Weighted Average Number Of Shares Outstanding - Basic and Diluted	**57,236,724**	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 JANUARY 31, 2015
(Unaudited)
(Expressed in Canadian Dollars)

	SHARE CAPITAL		SHARE-BASED PAYMENT	ACCUMULATED OTHER COMPREHENSIVE		TOTAL SHAREHOLDERS'
	SHARES	AMOUNT	RESERVE	LOSS	DEFICIT	EQUITY
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	-	-	-	(1,000)	-	(1,000)
Net loss for the period	-	-	-		(58,738)	(58,738)
Balance January 31, 2014	27,515,998	12,366,842	323,479	(20,500)	(4,298,850)	8,370,971
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	-	-	-	-	(863,775)	(863,775)
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 JANUARY 31, 2015
(Unaudited)
(Expressed in Canadian Dollars)

	SHARE CAPITAL		SHARE-BASED PAYMENT	ACCUMULATED OTHER COMPREHENSIVE		TOTAL SHAREHOLDERS'
	SHARES	AMOUNT	RESERVE	LOSS	DEFICIT	EQUITY
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)
Revaluation of investment to market value	-	-	-	-	-	-
Share-based compensation (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**

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)

	THREE MONTHS ENDED JANUARY 31			
		2015		2014
Cash Flows From (Used In) Operating Activities				
Net loss for the period	**$**	**(111,666)**	$	(96,388)
Items not affecting cash:				
Accretion		**141**		280
Accrued interest		**1,115**		(1,805)
Share–based payments (Note 9)		**5,000**		-
Changes in non-cash working capital items:				
Prepaid expenses		**19,257**		1,165
Other receivables		**(5,229)**		9,934
Accounts payable and accrued liabilities		**(12,813)**		146
Cash Outflows From Operating Activities		**(104,195)**		(86,668)
Cash Flows From (Used in) Investing Activities				
Short term investments (net)		**250,000**		-
Exploration and evaluation assets		**(144,911)**		(98,498)
B.C. Mining Exploration Tax Credit received (BCMETC)		**-**		212,197
Cash Inflows from Investing Activities		**105,089**		113,699
Cash Flows From (Used in) Financing Activities				
Proceeds from share issuances		**259,023**		-
Share issue costs (Note 11)		**(36,073)**		-
Cash Inflows From Financing Activities		**222,950**		-
Increase In Cash For The Period		**223,844**		27,031
Cash, Beginning Of Period		**75,656**		28,518
Cash, End Of Period	**$**	**299,500**	$	55,549
Supplemental Disclosure Of Cash Flow Information				
Exploration expenditures included in accounts payable	**$**	**4,877**	$	-
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 MONTHS ENDED JANUARY 31, 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 142-1146 Pacific Blvd. Vancouver, BC 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 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 March 31, 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.

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.

<u>Critical Accounting Estimates</u>

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.

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 cost significant doubt upon the Company's ability to continue as a going concern those uncertainties are disclosed. Management has determined that disclosure is not required in these statements.

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

	JANUARY 31 2015	OCTOBER 31 2014
Alexandria Minerals Corporation – 100,000 common shares quoted at market value	**$ 5,000**	$ 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 Inspector of Mines. The reclamation deposits are being held in term deposits with various interest rates.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

Mineral property costs for the three month period ended January 31, 2015, comprise

	WHISKEY JACK CREEK PROPERTY	EAGLEHEAD PROPERTY	TOTAL
Property Acquisition Costs			
Balance, October 31, 2014	$ 1	$ 622,511	$ 615,512
Additions in the period	-	-	-
Balance January 31, 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	-	7,700	7,700
Camp costs	-	5,272	5,272
Board and travel	-	466	466
Assays	-	4,644	4,644
Reports and mapping	-	3,088	3,088
Transportation	-	(604)	(604)
Amortization of field equipment	-	771	771
	-	21,337	21,337
Balance, January 31, 2015	**$ -**	**$ 7,785,561**	**$ 7,785,561**
Total Balance, January 31, 2015	**$ 1**	**$ 8,408,072**	**$ 8,408,073**

(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	$ 615,500
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.

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.

(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 January 31, 2015. The Company has estimated the net present value of this provision at January 31, 2015 to be $35,044 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.

	JANUARY 31 2015	OCTOBER 31 2014
Balance, beginning of period	**$ 34,903**	$ 34,762
Decommissioning provision	**-**	-
Accretion	**141**	141
Balance, end of period	**$ 35,044**	$ 34,903

9. SHARE CAPITAL

a) Authorized

An unlimited number of common shares without par value

b) Issued and Outstanding

During the three month period ended January 31, 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.

(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 three month period ended January 31, 2015 and the three month period ended October 31, 2014 is presented below:

	THREE MONTHS ENDED JANUARY 31, 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	**33,226,528**	**$**	**0.08**	28,046,078	$	0.077

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

NUMBER OF WARRANTS		**PRICE PER WARRANT**	**NUMBER EXERCISABLE AT JANUARY 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
33,226,528			33,226,528	

As at January 31, 2015, the weighted average remaining contractual life of the share purchase warrants was 1.46 years and the weighted average exercise price was $0.08

(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 three months ended January 31, 2015 and the three months ended October 31, 2014 is presented below:

	THREE MONTHS ENDED JANUARY 31, 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*	**-**	**-**	(1,200,000)	(0.21)
Granted	**-**	**-**	750,000	0.10
Balance, end of period	**4,800,000**	**$ 0.07**	4,800,000	$ 0.07

* During the three months ended January 31, 2015 $nil (three months ended October 31, 2014, $218,541) related to cancelled options was credited to deficit.

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

NUMBER OF SHARES	**PRICE PER SHARE**	**NUMBER EXERCISABLE AT JANUARY 31, 2015**	**EXPIRY DATE**
4,050,000	$ 0.07	4,050,000	July 9, 2019
750,000	$ 0.10	375,000	September 12, 2016
4,800,000	$ 0.10	4,425,000	

As at January 31, 2015, the weighted average remaining contractual life of the options was 4 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.

(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 three months ended January 31, 2015, the Company recorded $5,000 (three month period ended January 31, 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 three month period ended January 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:

	THREE MONTHS ENDED JANUARY 31 2015	THREE MONTHS ENDED OCTOBER 31 2014
Risk free interest rate	**0.95%**	**1.10%**
Expected life	**1.75 years**	**2 years**
Expected volatility	**157%**	**144%**
Expected forfeiture	**-**	**-**
Expected dividend yield	**-**	**-**
Fair value of options issued	**$0.04**	**$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.

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 January 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 $11,345 (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.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (Continued)

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

		JANUARY 31 2015		JANUARY 31 2014
Balance Sheet Items				
Exploration and evaluation assets	**$**	**7,700**	$	3,975
	$	**7,700**	$	3,975
Statement of Operations Items				
Consulting	**$**	**-**	$	648
Management fees		**24,000**		15,000
Office administration		**6,750**		6,750
Professional fees		**7,400**		6,250
Rent		**6,900**		6,900
	$	**45,050**	$	35,548

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.

(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 JANUARY 31, 2015**		AS AT OCTOBER 31, 2014	
		CARRYING AMOUNT	**ESTIMATED FAIR VALUE**	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Financial Assets:					
Cash	1	$ 299,500	$ 299,500	$ 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 January 31, 2015, the Company held cash and short term investments aggregating $299,500 (October 31, 2014 - $326,771) and had current liabilities of $53,114 (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.

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 January 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.