CARMAX MINING

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2017

(Expressed in Canadian Dollars)

CONTENTS

1. INTRODUCTION

This Management's Discussion and Analysis ("**MD&A**") of Carmax Mining Corp. (referred to as "**Carmax**", the "**Company**", "**us**" or "**our**") provides analysis of the Company's financial results for the three and nine months ended July 31, 2017. The following information should be read in conjunction with the accompanying audited annual financial statements for the year ended October 31, 2016, and the notes to those financial statements, prepared in accordance with IAS 34 under International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board. Please also refer to the tables starting on page 9 of this MD&A which compares certain financial results for the three and nine months ended July 31, 2017 and July 31, 2016. Financial information contained herein is expressed in Canadian dollars, unless otherwise stated. All information in this MD&A is current as of September 26, 2017 unless otherwise indicated. This MD&A is intended to supplement and complement Carmax's unaudited condensed interim financial statements for the three and nine months ended July 31, 2017 and the notes thereto. Readers are cautioned that this MD&A contains "*forward-looking statements*" and that actual events may vary from management's expectations. This MD&A was reviewed, approved and authorized for issue by the Company's Audit Committee, on behalf of the Board of Directors, on September 26, 2017.

Description of Business

Carmax is a public company incorporated in British Columbia, under the "*Canadian Business Corporation Act*" and its common shares are listed on the TSX Venture Exchange (the "**TSX-V**"); under the trading symbol "**CXM.V**". 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 exploration of the Eaglehead copper project, located in the Liard Mining Division in northern British Columbia.

On July 31, 2017 and September 26, 2017, the Company had (i) 101,742,525 and 110,242,525 common shares issued and outstanding; (ii) Nil and 8,500,000 share purchase warrants to acquire common shares outstanding and (iii) 4,700,000 options to acquire common shares outstanding.

Head Office	Share Information	Investor Information
# 142 - 1146 Pacific Blvd. Vancouver, BC V6Z 2X7 Canada Tel: +1-604-620-7737	Our common shares are listed for trading on the TSX-V under the symbol "CXM.V".	Financial reports, news releases and corporate information can be accessed on our website at www.carmaxmining.com and on SEDAR at www.sedar.com
Registered Office	**Transfer Agent and Registrar**	**Contact Information**
# 217-179 Davie Street Vancouver, BC V6Z 2Y1 Canada Tel: +1-604-669-3233	Computershare Investor Services Inc. 3rd Floor, 510 Burrard Street Vancouver, BC V6C 3B9 Tel: +1-604-661-9400	Investors: Daniel Camaano Media requests and queries: Tel: +1-604-620-7737 dlcaamano@gmail.com

As at the date of this MD&A, Carmax Mining's directors and officers are as follows:

Directors	**Officers and Position**
Elmer Stewart (Chairman)	Jevin Werbes, President and Chief Executive Officer
Jevin Werbes	Braden Jensen, Chief Financial Officer
Chris Healey	Judy A. McCall, Corporate Secretary
J. Michael Smith	
Hrayr Agnerian	

Audit Committee	**Compensation Committee**
J. Michael Smith (Chairman)	Chris Healey
Elmer Stewart	J. Michael Smith
Chris Healey	Jevin Werbes
Jevin Werbes (Non-Independent)	

Qualified Person

Mr. Elmer B. Stewart, MSc. P. Geol., Director of the Company, is the Qualified Person as defined under NI 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") who has reviewed and approved all technical and scientific disclosure contained in this MD&A regarding the Company's mineral properties.

2. INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for the preparation and integrity of the Company's financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable and prepared in accordance with IFRS. The Company's Board follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee meets with management and the Company's external auditor to review the financial statements and the MD&A, as well as to discuss other financial, operating and internal control matters.

During the nine months ended July 31, 2017, no significant changes have occurred that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial preparation and presentation.

3. DISCLOSURE CONTROLS AND PROCEDURES

The Company's management is also responsible for the design and effectiveness of disclosure controls and procedures that are intended to provide reasonable assurance that material information related to the Company, is made known to the Company's certifying officers. Management, including the Chief Executive Officer and the Chief Financial Officer of the Company, have evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as at July 31, 2017. There have been no changes in the Company's disclosure controls and procedures during the nine months ended July 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's disclosure controls and procedures. Based on this evaluation, management has concluded that the Company's disclosure controls and procedures were effective as at July 31, 2017.

4. FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "*forward-looking statements*" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this MD&A and the Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable laws.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral resource and mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. **Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.**

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. The words "may", "will", "continue", "could", "should", "would", "suspect", "outlook", "believes", "plan", "anticipates", "estimate", "expects", "intends" and words and expressions of similar import are intended to identify forward-looking statements.

Forward-looking statements include, without limitation, information concerning possible or assumed future results of the Company's operations. These statements are not historical facts and only represent the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration and development activities and commitments and future opportunities. Although management considers those assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

By their very nature, forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, and readers are advised to consider such forward-looking statements in light of the risk factors set forth below and as further detailed in the "*Risks and Uncertainties*" section of this MD&A.

These risk factors include, but are not limited to, fluctuation in metal prices which are affected by numerous factors such as global supply and demand, inflation or deflation, global political and economic conditions; the Company's need for access to additional capital to explore and develop its projects; the risks inherent in the exploration for and development of minerals including the risks of estimating the quantities and qualities of minerals, operating parameters and costs, receiving project permits and approvals, successful construction of mining and processing facilities, and uncertainty of ultimate profitability of mining operations; risks of litigation and other risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on any forward-looking statements in this MD&A to make decisions with respect to the Company, investors and others should carefully consider the risk factors set out in this MD&A and other uncertainties and potential events.

5. NINE MONTHS ENDED JULY 31, 2017 HIGHLIGHTS AND SIGNIFICANT EVENTS

- On December 14, 2016, Carmax released the results of the preliminary rock characterization test work from its Eaglehead copper project. The test work included locked cycle tests, Bond Ball Mill Work Index (BWi) tests, Bond Abrasion Index (Ai) tests and mineralogical studies ("**QEMSCAN**").

- On January 24, 2017 (see news release dated February 3, 2017) the Judicial Review of the Gold Commissioner's decision to re-instate Carmax's mineral title and allow the Company time to file additional assessment credits was heard in the Supreme Court of British Columbia. Carmax was not a party to these proceedings. At that time, Carmax advised, that until the decision from the Supreme Court is delivered, Carmax's title to claim #1034634 would be in doubt. Subsequent to January 24, 2017, the judgement of the Supreme Court was delayed several times (see news releases dated April 5 and May 10, 2017).

- On May 1, 2017, 11,000,000 warrants with an exercise price of $0.075 expired unexercised.

- On July 17, 2017 Mr. Justice Schultes of the Supreme Court of British Columbia issued an oral judgment that the Petitioner's challenge of the Chief Gold Commissioner's decision to reinstate Carmax's claim # 1034634 be dismissed. In his findings Mr. Justice Schultes found that there was no lack of procedural fairness, transparency or rigour in the decision of the Chief Gold Commissioner, as alleged by the Petitioner's and as such the judge saw no conflict between the Commissioner's interpretation of his authority under the Mineral Tenure Act and prior case law. The judgement of the Supreme Court was subject to a 30 day Appeal period.

- On July 18, 2017, Carmax announced its intention to proceed with (see news release dated May 19, 2017) a non-brokered private placement of up to five million units of Carmax at a price of three cents per unit. Each unit consists of one share and one share purchase warrant. Each warrant allows the holder to purchase one additional share of the company's capital stock at a price of five cents for a period of 18 months from the date of closing of the private placement.

Subsequent to the Period End:

- On August 23, 2017 Carmax announced that the petitioners did not filed a Notice of Appeal related to the decision of the Supreme Court delivered on July 17, 2017 within the time permitted by court rules. As a result, Carmax's title to claim # 1034634 is no longer in dispute.

- On August 28, 2017 Carmax announce that it closed the non-brokered private placement (see news releases dated July 18, 2017 and July 28, 2017) for gross proceeds of $255,000. The placement consisted of 8,500,000 units at a price of $0.03 per unit. Each unit consisted of one common share of the Company and one transferable share purchase warrant with one full warrant entitling the holder to purchase one additional common share of the Company at a price of $0.05 for a period of eighteen months following the date of closing. The pricing of the Private Placement was made in reliance on the temporary relief measures as provided for by the TSX Venture Exchange. With regards to the private placement, Carmax paid cash finder's fees of $800, calculated at 8% of the amount placed by one finder, filing fees of $1,275 and legal fees totalling $13,059.

- On September 12, 2017 Carmax announced that it plans to hold a special meeting of the shareholders on November 14, 2017 to authorize Carmax's board of directors to consolidate the Company's issued common shares at a consolidation ratio of one post-consolidation share for every 2 pre-consolidation shares. The consolidation is subject to the receipt of all necessary regulatory approvals, including approval of the TSX Venture Exchange.

  On consolidation, the company's outstanding 110,242,525 common shares would be reduced to 55,121,262 common shares. The terms and conditions of outstaning stock options and warrants would be adjusted on the same basis (1:2).

- On September 14, 2017, Carmax announced the execution of a communication agreement with the Tahltan Central Government pertaining to future exploration activities performed by Carmax with the traditional territory of the Tahltan First Nation.

6. PROPERTY SUMMARY

Eaglehead Property

The Eaglehead copper-molybdenum-gold property covers 13,540 Ha. located in the Liard Mining District in northern British Columbia, approximately 40 kilometers east of Dease Lake.

In 2012, Roscoe Postle Associates Inc. ("**RPA**") prepared a National Instrument 43-101 ("**NI 43-101**") Technical Report on the Eaglehead property which included a current Mineral Resources estimate on the East and Bornite zones located within the property. The Technical Report prepared by B. McDonough, P. Geo. and D. Rennie, P. Eng. as Qualified Persons was filed on SEDAR on June 29, 2012 (see news release dated July 4, 2012). The Inferred Mineral Resource estimate totals 102.5 million tonnes at an average grade of 0.29% Cu, 0.010% Mo, and 0.08 g/t Au. The resources were estimated at a cut-off grade of 0.16% copper equivalent ("**CuEq**").

The reader is cautioned that a significant amount of work has been completed on the Eaglehead project since the date of the Technical Report including geophysical surveys, metallurgical studies and re-logging and re-sampling and sampling of a significant number of historical drill holes. A number of the input parameters used in the Technincal Report have changed. The resource estimation and conclusions of the Technical Report may not be realized.

As a result of the timing of the receipt of the court's decision and subsequent 30 day Appeal period, Carmax did not conduct any exploration activities on the Eaglehead project during the third quarter of 2017. Carmax does not plan to conduct any exploration activities on the Eaglehead project for the balance of 2017.

Carmax incurred minimal costs related to legal, property and compilation work during the third quarter of 2017 for the Eaglehead project. Over the next several quarters, subject to funding; completion of a geological model for the Bornite and East zones on the Eaglehead project is planned.

During the fourth quarter of 2017, Carmax plans to prepare and file a Notice of Work ("**NOW**") with the government of British Columbia to obtain the necessary permits to conduct an exploration program in 2018. The completion of an exploration program in 2018 is contingent on funds being available for such a program.

Whiskey Jack Creek Project

Carmax owns a 50% working interest in the project that covers 1,328 hectares located in the southwest portion of Cairo Township in the Timiskaming Mining District, Ontario, approximately 6 kms east of Alamos Gold Inc's Young-Davidson gold mine. Alexandria Minerals Corporation (50% working interest) is the Operator of the Project. The project was last explored in 2009.

The property lies in proximity to the Larder Lake-Cadillac Break within the southwest portion of the Abitibi Greenstone metallogenic belt. The Val D'Or, Cadillac, Rouyn-Noranda, Kirkland Lake, and Matachewan gold camps at located along the Larder Lake-Cadillac Break.

The exploration data suggests that the geological and structural environment within the project is similar to that which hosts the Young-Davidson gold deposit to the west. Exploration has located gold bearing sulphide mineralization within interflow sediments, shear zone and sub-vertical, silica and carbonate altered structures associated with the Matachewan Fault/Larder Lake-Cadillac Break.

The compilation and re-evaluation of exploration data for the project will continue into the fourth quarter of 2017. This work is being completed internally and is expected to be finished before the October 31, 2017 year end.

7. SUMMARY OF QUARTERLY RESULTS

The quarterly results are as follows:

	July 31, 2017 3 Months Ended	April 30, 2017 3 Months Ended	January 31, 2017 3 Months Ended	October 31, 2016 3 Months Ended
Loss before non-operating items and taxes	$ (50,959)	$ (80,305)	$ (35,285)	$ (59,735)
Loss before income taxes	(50,716)	(99,156)	(34,469)	(54,833)
Net Loss per common share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Comprehensive loss	(50,716)	(99,156)	(34,469)	(51,333)
Net Comprehensive loss per common share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

	July 31, 2016 3 Months Ended	April 30, 2016 3 Months Ended	January 31, 2016 3 Months Ended	October 31, 2015 3 Months Ended
Loss before non-operating items and taxes	$ (66,355)	$ (118,648)	$ (82,848)	$ (97,662)
Loss before income taxes	(64,901)	(118,095)	(82,289)	(95,496)
Net Loss per common share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Comprehensive loss	(64,901)	(118,095)	(82,290)	(67,996)
Net Comprehensive loss per common share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

The Company's quarterly operating expenses decreased by $14,185 in Q3 2017 compared to Q3 2016 due primarily to decreased insurance, office and shareholder communication expenses.

8. DISCUSSION OF OPERATIONS

All of the information described below is accounted for in accordance with IFRS, as issued by IASB. The reader is encouraged to refer to Note 3 of the Company's audited annual financial statements for the year ended October 31, 2016 for Carmax Mining's summary of significant accounting policies.

Three Months Ended July 31, 2017 Compared to Three Months Ended July 31, 2016

For the three months ended July 31, 2017, the Company recorded a comprehensive loss of $50,716 or $0.00 per share compared to a comprehensive loss of $64,901 or $0.00 per share in the comparable quarter for the three months ended July 31, 2016. The decrease in comprehensive loss of $14,185 is due to a decrease in insurance, office and shareholder communication expenses offset by an increase in consulting fees.

	Three Months Ended July 31, 2017	Three Months Ended July 31, 2016	Discussion
Accretion	$23	$141	Accretion decreased due to the decommission provision being extended at the end of the previous fiscal year from 2017 to 2021, with the undiscounted liability of $36,500 remaining unchanged, resulting in a lower quarterly accretion charge.
Consulting	$43,750	$31,625	Consulting increased by $12,125 due to some of the consulting fees being capitalized in 2016 towards the Eaglehead project, thus being recorded on the balance sheet instead of the income statement in the prior comparable quarter.
Director Fees	$Nil	$4,500	The directors' fees decreased to $Nil this quarter due to the Company conserving cash deferring these expense until it is financially viable to do so.
Insurance	$Nil	$14,700	Insurance expense decreased to $Nil because Carmax's insurance is now covered under Copper Fox's umbrella insurance. Therefore, Carmax no longer incurs an insurance expenditure.
Office	$203	$3,038	Office expenses decreased compared to the prior comparable period due the Company conserving cash.
Professional Fees	$845	$2,273	Professional fees decreased this quarter due to there being little to no activity while the Company awaited the Supreme Court's ruling on July 17, 2017.
Promotion and Entertainment	$Nil	$365	Promotion and entertainment decreased compared to the prior comparable period due the Company conserving cash.

	Three Months Ended July 31, 2017	Three Months Ended July 31, 2016	Discussion
Rent	$4,250	$3,750	Rent increased due to an increase of $500 per month in rent, commencing July 1, 2017.
Shareholder Communications	$750	$5,903	Shareholder communications decreased this quarter due to there being little to no activity while the Company awaited the Supreme Court's ruling on July 17, 2017.
Transfer Agent and Regulatory Fees	$1,138	$Nil	Transfer agent and regulatory fees increased this quarter due to the initiation of the August 28, 2017 private placement.
Travel	$Nil	$60	Travel remained relatively unchanged.
Non-Operating Income (Expense)			
Interest Income	$243	$1,454	Interest income decreased due to there being a large GIC in the prior comparable period as a result of the flow-through money the Company had.

Nine Months Ended July 31, 2017 Compared to Nine Months Ended July 31, 2016

For the nine months ended July 31, 2017, the Company recorded a comprehensive loss of $184,341 or $0.00 per share compared to a comprehensive loss of $265,286 or $0.00 per share in the comparable quarter for the nine months ended July 31, 2016. The decrease in comprehensive loss of $80,945 is due to a decrease in consulting, directors and professional fees, as well as office expenses and insurance.

	Nine Months Ended July 31, 2017	Nine Months Ended July 31, 2016	Discussion
Accretion	$69	$423	Accretion decreased due to the decommission provision being extended at the end of the previous fiscal year from 2017 to 2021, with the undiscounted liability of $36,500 remaining unchanged, resulting in a lower quarterly accretion charge.
Consulting	$119,825	$147,889	Consulting decreased by $28,064 due to their being less consultants this period compared to the previous comparable period as a result of there being only minimal work completed on the Eaglehead project during this period.
Director Fees	$3,500	$14,500	The directors fees decreased by $11,000 due to the Company conserving cash in

	Nine Months Ended July 31, 2017	Nine Months Ended July 31, 2016	Discussion
			the current period and deferring the expenses until a later date.
Insurance	$Nil	$23,850	Insurance expense decreased to $Nil because Carmax's insurance is now covered under Copper Fox's umbrella insurance. Therefore, Carmax no longer incurs an insurance expenditure.
Office	$5,879	$14,246	Office expenses decreased compared to the prior comparable period due the Company conserving cash.
Professional Fees	$9,159	$16,587	Professional fees decreased due to there being no private placement this period compared to the prior comparable period.
Promotion and Entertainment	$1,952	$6,046	Promotion and Entertainment decreased compared to the prior comparable period due the Company conserving cash.
Rent	$11,750	$11,250	Rent increased due to an increase of $500 per month in rent, commencing July 1, 2017.
Shareholder Communications	$4,039	$10,695	Shareholder communications decreased this quarter due to there being little to no activity while the Company awaited the Supreme Court's ruling on July 17, 2017.
Transfer Agent and Regulatory Fees	$9,130	$16,944	Transfer agent and regulatory fees decreased due to there being no share issuances during the first three quarters of 2017.
Travel	$1,246	$5,421	Travel decreased compared to the prior comparable period due the Company conserving cash until the judicial review decision had been finalized.
Non-Operating Income (Expense)			
Interest Income	$1,208	$2,565	Interest income decreased as the Company did not have as large of a GIC balance for the nine months ended July 31, 2017, compared to the previous comparable quarters.
Loss on Sale of	$19,000	$Nil	The increase of $19,000 in the loss on

	Nine Months Ended July 31, 2017	Nine Months Ended July 31, 2016	Discussion
Investment			sale of investment is due to Carmax selling 100,000 shares of Alexandria Minerals in February 2017.

9. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As an exploration company, Carmax has no regular cash in-flow from operations, and the level of operations is principally a function of availability of capital resources. To date, the principal source of funding has been equity financing.

As at July 31, 2017, the Company had a cash balance of $388 (October 31, 2016 - $130,730). For the foreseeable future, the Company will continue to seek capital through the issuance of equity, strategic alliances or joint ventures, and debt. As mentioned in Section 5 above, subsequent to the July 31, 2017 quarter end, the Company raised $255,000 through a private placement which closed on August 28, 2017.

Major expenditures are required to establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. The recoverability of valuations assigned to exploration and development mineral properties are dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete exploration, development and future profitable production or proceeds from disposition of mineral assets.

Management reviews the carrying value of the Company's interest in each property and where necessary, exploration and evaluation mineral properties are written down to their estimated recoverable amount or written off.

Although management has made its best estimate of these factors, it is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and the need for, as well as the amount of, provision for impairment in the carrying value of exploration properties and related assets.

Many factors influence the Company's ability to raise funds, and there is no assurance that the Company will be successful in obtaining adequate financing and at favorable terms for these or other purposes including general working capital purposes. Carmax's unaudited interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. Realization values may be substantially different from carrying values, as shown, and these financial statements do not give effect to the adjustment that would be necessary to the carrying values and classifications of assets and liabilities should Carmax be unable to continue as a going concern.

Working Capital

As at July 31, 2017, Carmax had a negative working capital of $183,594 (October 31, 2016 – $18,012). The working capital decreased in July 31, 2017 compared to October 31, 2016 as a result of operation costs. The Company has managed its working capital by controlling its spending on its properties and operations. Due to the on-going planned exploration advancement of the Eaglehead project over the near term, Carmax intends to continue to incur expenditures without revenues, and accumulate operating losses. Therefore, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing to fund future exploration and development and the potential construction of a mine, in order to reach profitable levels of operation. It is not possible to predict whether future financing efforts will be successful or whether financing on favorable terms will be available.

Carmax has no long-term debt and no long-term liabilities, other than its decommissioning provision of $36,100, a promissory note owing to Copper Fox in the amount of $101,000 as well as an unsecured loan owing to Copper Fox in the amount of $25,000. The Company has no capital lease obligations, operating or any other long term obligations, other than its monthly office rent of $1,750.

Cash Flow Highlights

		Nine Months Ended July 31, 2017		Nine Months Ended July 31, 2016
Cash Used in Operating Activities	**$**	**(92,222)**	$	(271,492)
Cash Used in Investing Activities		**(63,120)**		(613,144)
Cash Provided by Financing Activities		**25,000**		1,491,862
Increase (Decrease) in Cash for the Period		**(130,342)**		607,226
Cash, Beginning of Year		**130,730**		512,829
Cash, End of Period	**$**	**388**	$	1,120,055

Capital Risk Management

Carmax Mining's capital structure consists of common shares, stock options and warrants. The Company manages its capital structure and makes adjustments to it, based on available funds, in order to support the acquisition and exploration of mineral properties. The Board does not establish quantitative returns on capital criteria for management.

The properties in which Carmax currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out and pay for planned exploration and development along with operating administrative costs, the Company will fund such costs out of anticipated future working capital predicated upon additional amounts being raised.

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, 2017. Carmax is 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 with maturities of six months or less from the original date of acquisition, all held with major Canadian financial institutions.

10. TRANSACTIONS WITH 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, 2017, included in accounts payable and accrued liabilities is $Nil (October 31, 2016 – $Nil) owing to companies controlled by directors, $Nil (October 31, 2016 - $Nil) owing to Companies controlled by officers for services rendered to the Company and $73,719 (October 31, 2016 - $72,108) owing to Copper Fox.

For the nine month period ended July 31, 2017, $2,500 (July 31, 2016 - $7,500) was paid in rent to a company controlled by an officer of Carmax. In addition, $12,850 (October 31, 2016 - $4,263) was capitalized towards the Eaglehead project for services rendered by companies controlled by a current director, a former director and Copper Fox. These amounts payable are non-interest bearing, unsecured and have no specific terms of repayment.

As at July 31, 2017 and October 31, 2016, coupled with the nine months ended July 31, 2017 and July 31, 2016, the Company incurred the following capitalizations and expenditures for key management personnel, both current and former, and the companies directly controlled by them.

		As At July 31, 2017		As At October 31, 2016
Balance Sheet Items:				
Exploration and evaluation assets	**$**	**12,850**	$	4,263
Total	**$**	**12,850**	$	4,263

		Nine Months Ended July 31, 2017		Nine Months Ended July 31, 2016
Statement of Operations Items:				
Consulting	**$**	**103,500**	$	110,620
Director fees		**3,500**		14,500
Rent		**2,500**		11,250
Total	**$**	**109,500**	$	136,370

Promissory Note

On October 28, 2015 Carmax entered into a promissory note loan (the **"Loan"**) with Copper Fox, whereas Copper Fox agreed to lend Carmax up to $400,000, in minimum increments of $50,000, for working capital purposes, as needed. Carmax shall pay interest on the principle, from the disbursement date to the due date, November 30, 2018, at a rate of 1% per annum, compounded annually.

At any time during the term of the Loan, Copper Fox, at its sole discretion, can convert a portion or the entire loan outstanding, including unpaid interest, into free trading shares of Carmax at a price equal to the greater of $0.05 or the trading price, subject to the prior approval of the exchange.

For accounting purposes, the Loan is considered a liability since the conversion feature is not "fixed for fixed" and is therefore considered an embedded derivative. However, the embedded derivative liability has no value as the conversion price is set at the market price on the date of the conversion. Therefore, the full value of the promissory note is classified as a liability.

As at July 31, 2017, Copper Fox had loaned Carmax a total of $101,000 (October 31, 2016 - $101,000) under the Loan agreement.

Copper Fox Loan

On March 28, 2017, Copper Fox loaned Carmax $25,000, separate from the above mentioned promissory loan agreement. This loan was for working capital purposes. As of July 31, 2017, no repayment date or interest rate owing for this loan has been determined.

11. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Board, through the Audit Committee, is responsible for identifying the principal risks facing the Company and ensuring that risk management systems are implemented. The Company manages its exposure to financial risks, including credit risk, liquidity risk, interest rate risk, foreign exchange rate risk and commodity price risk in accordance with its risk management framework. The Board reviews the Company's policies periodically.

The following table sets forth the Company's financial assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy. As at July 31, 2017, those financial assets and liabilities are classified in their entirety based on the level of input that is significant to the fair value measurement.

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

		As At July 31, 2017		As At October 31, 2016	
	Input Level	**Carrying Amount**	**Estimated Fair value**	Carrying Amount	Estimated Fair Value
Financial Assets:					
Cash	**1**	**$ 388**	**$ 388**	$ 130,730	$ 130,730
Investment	**1**	**$ -**	**$ -**	$ 6,000	$ 6,000
Total		**$ 388**	**$ 388**	$ 130,730	$ 130,730

		As At July 31, 2017		As At October 31, 2016	
	Input Level	**Carrying Amount**	**Estimated Fair value**	Carrying Amount	Estimated Fair Value
Financial Liabilities:					
A/P and acc. liabilities	**1**	**$ 199,577**	**$ 199,577**	$ 142,700	$ 142,700
Total		**$ 199,577**	**$ 199,577**	$ 142,700	$ 142,700

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) <u>Credit Risk</u>

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 fulfill 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) <u>Liquidity Risk</u>

Liquidity risk is the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk and requirements by maintaining sufficient cash balances and or through additional financings to ensure that there is sufficient capital in order to meet short term obligations. As at October 31, 2016, the Company has cash and investments aggregating $388 (October 31, 2016 - $130,730) and current financial liabilities of $190,577 (October 31, 2016 - $142,700) 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.

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 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) <u>Market Risk</u>

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 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, 2017, 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.

12. RISKS AND UNCERTAINTIES

A discussion of the risks and uncertainties that Carmax faces can be found in the Company's audited annual financial statements for the year ended October 31, 2016 (available under Carmax Mining's SEDAR profile at www.sedar.com). Furthermore, additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations in the future.

13. PROPOSED TRANSACTIONS

Carmax does not currently have any proposed transactions; however, the Company from time to time does review potential property acquisitions and divestitures, in addition to conducting further exploration work on its property. The Company releases appropriate public disclosure as it conducts exploration work on its existing property and if the Company makes an acquisition or divestiture.

14. DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

a) Authorized

An unlimited number of common shares without par value.

b) Issued and Outstanding

During the nine month period ended July 31, 2017, there were no shares issued by the Company. However, as part of the August 28, 2017 private placement, 8,500,000 shares were issued. As of September 26, 2017, the company had 110,242,525 shares issued and outstanding.

c) Warrants

On May 1, 2017, the remaining 11,000,000 warrants expired. As at the date of this MD&A, there were 8,500,000 share purchase warrants outstanding for the Company, as a result of the August 28, 2017 private placement.

d) Stock Options

As at the date of this MD&A, the outstanding share options of the Company are as follows:

Amount of Shares	Price Per Share	Amount Exercisable	Expiry Date
3,450,000	$ 0.07	3,550,000	July 9, 2019
900,000	$ 0.05	990,000	April 29, 2020
350,000	$ 0.05	350,000	October 16, 2020
4,700,000		**4,700,000**	

15. OFF-BALANCE SHEET ARRANGEMENTS

During the nine months ended July 31, 2017, the Company was not party to any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources of the Company.

16. CHANGES IN ACCOUNTING STANDARDS

There were no changes in the Company's accounting policies during the nine months ended July 31, 2017. New and revised accounting standards and interpretations issued but not yet adopted are described in Note 2, "*Basis of Presentation*", of the audited financial statements for the year ended October 31, 2016.

17. CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The Company bases its estimates and assumptions on current and various other factors that it believes to be reasonable under the circumstances. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure 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 expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is impaired in the Statement of Operations and Comprehensive Loss during the period the new information becomes available.

Depreciation

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

Impairment

The carrying value of property and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the statement of operations and comprehensive loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets) ("**CGUs**") for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

Site Closure and Decommissioning Provisions

The Company assesses its mineral property's decommissioning provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future decommissioning obligation. The actual future expenditures may differ from the amounts currently provided.

Title to Mineral Properties

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.

Contingencies

The assessment of contingencies involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal proceedings that are pending against the Company and that may result in regulatory or government actions that may negatively impact the Company's business or operations, the Company and its legal counsel evaluate the perceived merits of the legal proceeding or un-asserted claim or action as well as the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to disclose as a contingent liability or when assessing the impact on the carrying value of the Company's assets. Contingent assets are not recognized in the Company's financial statements.

18. APPROVAL

The Audit Committee of Carmax Mining Corp. has reviewed and approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and it is also available under our SEDAR profile at www.sedar.com.