

# **CARMAX MINING CORP.**

## **Management's Discussion and Analysis**

**For the Year Ended July 31, 2012**

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

**INTRODUCTION**

The following discussion and analysis, prepared as of November 27, 2012 has been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's 2011 comparatives in this MD&A have been presented in accordance with IFRS, unless stated otherwise. As the Company's transition date was August 1, 2010, 2010 comparative information included in this MD&A has not been restated. All amounts are stated in Canadian dollars unless otherwise indicated.

The following information should be read in conjunction with the July 31, 2012 audited financial statements and related notes to those financial statements, all of which are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

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

Additional information related to the Company is available for view on Sedar at [www.sedar.com](http://www.sedar.com).

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

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

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

**NATURE OF BUSINESS AND OVERALL PERFORMANCE**

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

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

As at July 31, 2012, the Company had cash and short term investments on hand of \$771,530 compared to \$2,726,447 July 31, 2011.

Resource property costs increased to \$7,474,947 at July 31, 2012 compared to \$6,950,121 at July 31, 2011. During the year the exploration expenditures were incurred as a result of the exploration undertaken on the Eaglehead property.

As of July 31, 2012, the Company has two mineral property interests being a 50% interest in the Whiskey Jack Creek property located in the Cairo Township of the Matachewan Area of the Larder Lake mining district of the Province of Ontario, and a 100% interest in the Eaglehead property located in the Liard Mining Division of the Province of British Columbia. During the year ended July 31, 2012, the Company abandoned the Goldtip property comprising a 100% interest in 5 mineral tenures in the Atlin Mining Division of the Province of British Columbia and recorded a write down of exploration and evaluation assets of \$411,151.

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

The Eaglehead property consists of 26 contiguous claims comprised of 353 cells and 4 mineral units encompassing approximately 94 square kilometers.

The Company acquired its 100% interest in Eaglehead property by paying \$350,000 cash, issuing 300,000 shares and by fulfilling a minimum exploration commitment of \$6,000,000 on the Eaglehead property.

The Eaglehead property is burdened by a 2.5% net smelter return royalty of which 1.5% can be purchased for \$2,000,000.

The Goldtip property consisted of a total of 72 mineral tenures in the Atlin Mining Division of the Province of British Columbia. The Company acquired its 100% interest in 59 claims on May 5, 2010 by paying \$90,000 in cash and the issuance of 1,000,000 common shares with a fair value of \$200,000. The Company also incurred finders' fees comprising of \$9,000 in cash and the issuance of 100,000 common shares with a fair value of \$20,000. During October 2010, the Company staked an additional 6 claims at a cost of \$10,000. In the three month period to October 31, 2011, the company abandoned the non core claims and retained the 5 claims upon which the Company had concentrated its exploration efforts. During the year ended July 31, 2012, the Company abandoned the Goldtip property and recorded a write down of exploration and evaluation assets of \$411,151.

## **SELECTED ANNUAL INFORMATION**

The following financial data prepared in accordance with generally accepted accounting principles stated in Canadian dollars is presented as at July 31 of each of the 2012, 2011 and 2010 fiscal years:

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

**FISCAL YEARS ENDED**

	<b>JULY 31*</b> <b>2012</b>	<b>JULY 31*</b> <b>2011</b>	<b>JULY 31**</b> <b>2010</b>
Total revenue	\$ -	\$ -	\$ -
Net loss before interest income and income taxes	\$ (755,028)	\$ (752,634)	\$ (379,561)
Net loss for the year	\$ (743,679)	\$ (665,356)	\$ (387,729)
Basic and diluted loss per share	\$ (0.03)	\$ (0.04)	\$ (0.04)
Total Assets	\$ 8,859,050	\$ 10,185,626	\$ 7,114,246
Total Long Term Liabilities	\$ -	\$ -	\$ -
Cash Dividends per share	\$ -	\$ -	\$ -

\* Prepared under IFRS

\*\* Prepared under Canadian GAAP

**RESULTS OF OPERATIONS FOR THE YEAR ENDED JULY 31, 2012**

The Company incurred a net loss of \$743,679 during the year ended July 31, 2012, compared to a net loss of \$665,356 for the comparative year ended July 31, 2011. The most significant changes for the year arose from an increase in consulting fees to \$51,500 (2011 - \$45,000) as a result of engaging CEE Merchant Group Inc. to provide business development and advisory services to the Company until September 30, 2011, as well as engaging Primoris Group to assist with media relations and other independent consultants to assist with the business development of the Company; investor relations fees increased to \$50,000 (2011 - \$31,500) as a result of the investor relations contract with KJN Management Ltd; management fees decreased to \$60,000 (2011 - \$105,500); as the former president was not remunerated during the current year; office and sundry expenses decreased marginally to \$39,054 (2011 - \$39,227); professional fees decreased to \$56,515 (2011 - \$85,932) as a direct result of the 2011 audit fees being accrued during at the end of the prior year and the 2010 audit fees were also expensed during the year ended July 31, 2012; additional costs were incurred in the current period as a result of the first time adoption of IFRS; promotion and entertainment increased to \$7,181 (2011 - \$4,309); rent increased to \$27,000 (2011 - \$24,000); shareholder communications costs decreased to \$8,276 (2011 - \$12,405) the reduction was due to one-off website development costs being incurred in the prior period; share based payments decreased to \$23,000 (2011 - \$347,400) as a result of the valuation of options granted to directors, consultants and employees vesting in the respective periods; transfer agent and regulatory fees decreased to \$17,203 (2011 - \$48,592) as in the prior period costs were incurred relating to the stock consolidation and the successful completion of a financing. Travel expenses decreased to \$4,148 (2011 - \$8,769).

Interest income increased marginally to \$11,349 (2011 - \$11,278) as a result of the Company on average holding higher cash balances in the year ended July 31 2012 than those held in the comparative year.

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

Write off of exploration and evaluation assets increased to \$411,511 (2011 - \$nil) as the Goldtip property was abandoned during the year ended July 31 2012. A deferred tax recovery \$nil (2011 - \$76,000) was also recorded.

Finally the Company recorded other comprehensive loss of \$12,000 (2011 – \$3,000) as a result of the Company's investment in Alexandria Minerals Corporation being marked to market value at the respective period ends

Exploration expenditures on the Whiskey Jack Creek property during the year ended July 31, 2012 totaled \$nil, and exploration expenditures incurred on the Eaglehead property net of BC tax credits totaled \$935,977. The Company incurred no exploration expenditures of the Goldtip property during the year ended July 31, 2012.

Eaglehead Property

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

During October 31, 2010 the Company retained Agnerian Consulting Ltd to undertake a review of exploration results to date and prepare a 43-101 compliant report, which was completed and filed on Sedar on January 12, 2011. (See [www.sedar.com](http://www.sedar.com).)

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

The sample cores were sent for assay analysis at Acme Laboratories in North Vancouver B.C, and a summary of the mineralized intercepts is included in Schedule A to this MD&A

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

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

The company has engaged Roscoe Postle Associates Inc. (RPA) of Toronto to complete an independent estimate of NI 43-101 compliant Mineral Resources of the East and Bornite zones taking into consideration the results now received from the 2011 program. Completion of the report is anticipated for July 2012. Results of this study were received by the company on May 16, 2012, and a NI 43-101 compliant technical report was filed on SEDAR on June 29, 2012.

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

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

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

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

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

**Notes:**

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated using long-term metal prices of US\$4.00/lb. Cu, US\$17.00/lb. Mo, US\$1,400/oz Au, and a US\$/CAD\$ exchange rate of 1.00.
3. The copper equivalent (CuEq) calculation includes a provision for different metallurgical recoveries and smelter pay-out.
4. Metallurgical and payable recoveries are assumed to be 80% for base metals and 67% for gold.
5. Silver was not used to determine CuEq values.
6. Mineral Resources were estimated using a pit discard cut-off grade of 0.16% CuEq.
7. The numbers for tonnage, average grade, and contained metals are rounded figures.
8. These resources are constrained by a Whittle optimized pit shell and constitute approximately 69% of total mineralization of the block model within a conceptual open pit.

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

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

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

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

**Resource Estimation**

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

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

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

The resulting estimate of Mineral Resources was classed as Inferred.

RPA has recommended additional drilling and related work, with a proposed exploration budget of approximately \$2.5 million. This includes 8500 metres of drilling in 28 holes, as well as additional ground geophysics, structural mapping, detailed mineralogical studies and metallurgical testing. All of this would lead to an updated Mineral Resource estimate upon completion.

Whiskey Jack Creek Property

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

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

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

The Company is currently in negotiations with Alexandria to formalize the Joint Venture arrangement, to allow further exploration of the property.

Goldtip Property

On May 5, 2010, the Company acquired its 100% interest 59 mineral tenures in the Goldtip property. The Company staked a further 6 claims at a cost of \$10,000 and incurred exploration expenditures amounting to \$82,151 during the year ended July 31, 2011. In the three month period to October 31, 2011, the company abandoned the non-core claims and retained the 5 claims covering 1,922 hectares upon which the Company had concentrated its exploration efforts. During the year ended July 31, 2012, the Company determined that further exploration was not warranted and abandoned the property. Accordingly all exploration and evaluation costs incurred aggregating \$411,151 were written off.

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

**Summary of Quarterly Results**

The following is a summary of the Company's quarterly results for the period from May 1, 2010 to April 30, 2012 reported in Canadian currency.

	<u>QUARTER ENDED</u>			
	<u>JULY 31</u>	<u>APRIL 30</u>	<u>JANUARY 31</u>	<u>OCTOBER 31</u>
	<u>2012**</u>	<u>2012**</u>	<u>2012**</u>	<u>2011**</u>
Total revenue	\$ -	\$ -	\$ -	\$ -
Net loss before income taxes	\$ (516,359)	\$ (82,534)	\$ (50,659)	\$ (94,127)
Net income (loss) for the period	\$ (516,359)	\$ (82,534)	\$ (50,659)	\$ (94,127)
Basic income (loss) per share	\$ (0.02)	\$ (0.00)	\$ (0.00)	\$ (0.00)

	<u>QUARTER ENDED</u>			
	<u>JULY 31</u>	<u>APRIL 30</u>	<u>JANUARY 31</u>	<u>OCTOBER 31</u>
	<u>2011**</u>	<u>2011**</u>	<u>2011**</u>	<u>2010**</u>
Total revenue	\$ -	\$ -	\$ -	\$ -
Net loss before income taxes	\$ (306,404)	\$ (135,655)	\$ (180,429)	\$ (118,868)
Net income (loss) for the period	\$ (267,404)	\$ (114,655)	\$ (190,429)	\$ (92,868)
Basic income (loss) per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)

\*\* Prepared under IFRS

The Company reported a net loss of \$516,359 for the three month period July 31, 2012 compared to \$267,404 (under IFRS) for the comparable three month period ended July 31, 2011. The basic loss per share for the three month period ended July 31, 2012 was (\$0.02) versus (\$0.01) for the comparable period of 2011.

**RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JULY 31, 2012**

The Company incurred a net loss of \$516,359 during the three month period ended July 31, 2012, compared to a net loss of \$267,404 for the comparative three month period ended July 31, 2012. The most significant changes for the year arose from a decrease in management fees to \$15,000 (2011 -\$39,000) as a director resigned during the latter part of the prior fiscal year; consulting fees decreased to \$26,250 (2011 - \$30,000).



**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

During the period the Company retained Primoris Group to assist with media relations and other independent consultants to assist with the business development of the Company; investor relations fees decreased to \$9,500 (2011 - \$12,000) as a result of the investor relations contract with KJN Management Ltd; office and sundry expenses decreased to \$6,991 (2011 - \$8,745); professional fees increased marginally to \$36,040 (2011 - \$35,077); promotion and entertainment increased to \$779 (2011 - \$544); rent increased to \$6,900 (2011 - \$6,000); shareholder communications costs increased to \$3,788 (2011 - \$500); share based payments decreased to \$350 (2011 - \$157,500) as a result of the valuation of options granted to directors, consultants and employees vesting in the respective periods; transfer agent and regulatory fees decreased to \$1,178 (2011 - \$16,485) and travel expenses decreased to \$831 (2011 - \$5,847).

Interest income decreased to \$2,399 (2011 - \$5,404), write off of exploration and evaluation assets increased to \$411,151 (2011 - \$nil) upon the abandonment of the Goldtip property and a deferred tax recovery of \$nil (2011 - \$39,000) was recorded.

Finally the Company recorded other comprehensive loss of \$4,000 (2011 - \$3,000) as a result of the Company's investment in Alexandria Minerals Corporation being marked to market value at the respective period ends.

Exploration expenditures incurred in the three month period ended July 31, 2012 on the Whiskey Jack Creek property totaled \$nil, on the Eaglehead property totaled \$59,367 and an offsetting BC Mining exploration tax credit of \$233,557 was recorded. Exploration on the Goldtip property during the three month period ended July 31, 2012 was \$nil.

#### **RESULTS OF OPERATIONS FOR THE QUARTER ENDED JULY 31, 2011**

During the quarter ended July 31, 2011, the Company reported net loss of \$267,404 and a comprehensive loss of \$270,404. The most significant changes for the year arose from an increase in consulting fees to \$30,000 (2010 - \$2,000) predominantly as a result of engaging CEE Merchant Group Inc. to provide business development and advisory services and by increasing geological consulting fees to a director in the period; management fees increased to \$39,000 (2010 - \$15,000) as a result of the resignation of Charles Underhill during the latter part of the prior year and the appointment of Jevin Werbes as director during October 2010; investor relations expenses increased to \$12,000 (2010 - \$nil) as a result of the investor relations contract with KJN Management Ltd; office and administration expenses decreased to \$8,745 (2010 - \$18,115); professional fees increased to \$35,077 (2010 - \$11,165) predominantly as a result of accruing for the 2011 audit costs in the period ended July 31, 2011, previously these costs were recorded when invoiced; promotion and entertainment expenses decreased to \$544 (2010 - \$2,344); property investigation expenses were \$nil (2010 - \$nil); rent decreased to \$6,000 (2010 - \$10,566); shareholder communications increased to \$500 (2010 - \$nil); share based payments expense increased to \$157,250 (2010 - \$nil) as a result of the valuation of options granted to directors consultants and employees and transfer agent and regulatory fees increased to \$16,845 (2010 - \$4,910) as there was less trading activity of the Company's stock. Travel expenses also increased to \$5,847 (2010 - \$nil).

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

Interest income increased to \$5,404 (2010 – change of \$1,492) as a result of the Company holding lower cash balances until the completion of the financing and interest rates on deposits generally being lower than the prior year. A future income tax recovery \$39,000 (2010 - \$29,000) was also recorded.

Finally the Company recorded an other comprehensive loss of \$3,000 (2010 - \$2,000) as result of the decrease in the market value of its investment in Alexandria Minerals.

Exploration expenditures on the Whiskey Jack Creek property during the three month period ended July 31, 2011 totaled \$nil (three months ended July 31, 2010 - \$nil), and \$1,009,222 (three months ended July 31, 2010 - \$13,575) of exploration expenditures were incurred on the Eaglehead property. Also, during the three month period ended July 31, 2011 the Company claimed a BC mining and exploration tax credit in respect of expenditures incurred on the Eaglehead property of \$212,197 (2010 - \$21,040), which has yet to be received. The Company also incurred no exploration costs on the Goldtip property during the three months ended July 31, 2011 or 2010.

**LIQUIDITY**

As at July 31, 2012, the Company has total assets of \$8,859,050.

The primary assets of the Company were cash and short term investments of \$20,365 and \$751,165 respectively, a BC mining and exploration tax credit receivable of \$445,754, other receivables being HST recoverable of \$15,972; reclamation deposits of \$110,000 and two mineral property interests with a capitalized value of \$7,474,947. The Company also had working capital of \$1,215,862. It is management's opinion that the Company has adequate working capital to meet the Company's obligations as they come due and that the Company is not exposed to any significant liquidity risks at this time.

The Company granted 50,000 stock options which vested immediately exercisable at \$0.20 until September 7, 2016 pursuant to the Company's stock option plan to an officer during the year ended July 31, 2012.

Share based payment expense of \$23,000 has been recorded during the year ended July 31, 2012 in respect of this stock option award and the vesting of awards previously granted to directors, consultants and an employee.

The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option-pricing model with weighted average assumptions as follows:

	<b>YEAR ENDED</b>	
	<b>JULY 31</b>	
	<b>2012</b>	<b>2011</b>
Risk free rate	<b>1.68%</b>	2.29
Dividend yield	<b>Nil</b>	Nil
Expected life	<b>4.34 years</b>	4 years
Forfeiture rate	<b>0%</b>	0%
Expected volatility	<b>148%</b>	101%
Weighted average fair value per option grant	<b>\$0.14</b>	\$0.18

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

**CAPITAL RESOURCES**

At July 31, 2012 the Company's capital resources consist of interests in two mineral properties. The Company's 50% interest in the Whiskey Jack Creek property located in Cairo Township, Matachewan Area, Larder Lake mining district in Province of Ontario has been valued at \$478,392; and the Company's 100% interest in the Eaglehead property located in the Liard Mining Division in British Columbia which has been valued at \$6,996,555. These amounts totaling \$7,474,947 equal the deferred exploration expenditures (net of BC mining exploration tax credits), and acquisition costs made in respect of the properties to July 31, 2012.

**OFF BALANCE SHEET ARRANGEMENTS**

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

**TRANSACTIONS WITH RELATED PARTIES**

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

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company, and 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 July 31, 2012, included in accounts payable is \$2,577 (July 31, 2011 - \$3,390) owing to two companies controlled by a individual directors and \$9,184 (July 31, 2011 - \$6,840) owing to a company controlled by an officer for services rendered to the Company, and \$nil (July 31, 2011 - \$13,227) owing to two directors of the Company for expenses and services rendered. The amounts payable are non-interest bearing, unsecured and have no specific terms of repayment.

During the years ended July 31, 2012 and 2011, the Company also incurred the following expenses charged by directors, officers or companies controlled by the directors or officers:

- a) Paid or accrued management fees of \$nil (2011 - \$70,000) to a company controlled by Ernest Peters, a former director.
- b) Paid or accrued management fees of \$60,000 (2011 - \$35,500) to a company controlled by Jevin Werbes.
- c) Paid or accrued professional fees of \$19,650 (2011 - \$14,450) to a company controlled by Matthew Wright.
- d) Paid or accrued wages included in office administration costs of \$27,000 (2011 - \$24,500) to Bev Funston.

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

- e) Paid or accrued wages included in office administration costs of \$nil (2011 - \$6,000) to Judy McCall.
- f) Recorded share based payments aggregating \$19,000 (2011 - \$287,700) and \$nil (2011 - \$6,000) upon the vesting of stock options to the directors and an officer of the Company and a former director of the Company respectively.
- g) Paid or accrued rent of \$27,000 (2011 - \$24,000) to Ansell Capital Corp, a company with common directors and officer.
- h) Paid or accrued promotional and entertainment expenses of \$2,800 (2011 - \$nil) to Jeff Poloni.
- i) Paid or accrued shareholder promotion costs \$nil (2011 - \$2,700) to Jevin Werbes.
- j) Paid or accrued consulting fees of \$nil (2011 - \$15,000) to a company controlled by Hrayr Agnerian
- k) Capitalized into deferred exploration costs \$17,875 (2011 - \$8,250) of fees charged by Jeff Poloni.
- l) Capitalized into deferred exploration costs \$27,825 (2011 - \$3,000) of fees charged by a company controlled by Hrayr Agnerian.
- m) Capitalized into deferred exploration costs \$8,287 (2011 - \$4,250) of fees charged by a company controlled by Chris Healey.

During the year ended July 31, 2011, management and administration was provided to the Company by two corporations owned by directors and officers of the Company receiving \$3,000 (subsequently amended to \$4,000 then \$5,000 upon the resignation of Mr. Ernie S Peters) and \$5,000 per month respectively. The Corporations are Calico Management Corp. ("Calico") a company beneficially owned and controlled by Jevin Werbes and Petco Enterprises Ltd., a company beneficially owned and controlled by Ernest S. Peters.

On October 15, 2010, Ernest S. Peters resigned as President of the Company and remained as a director. Also on October 15, 2010, Jevin Werbes was appointed President and a director of the Company. On April 30, 2011, Ernest S. Peters resigned as Director.

Upon the appointment of Jevin Werbes as President, the Company entered into a management contract with Calico. The agreement is was a minimum term of twelve months, expiring on October 14, 2011. Pursuant to the agreement, Calico was to receive \$3,000 (subsequently amended to \$4,000 then \$5,000) per month over the term of the agreement. The agreement can be terminated by Calico by giving 90 days written notice to the Company and by the Company delivering twelve months written notice to Calico after the expiry of the initial term. Upon the completion of the initial term the agreement became a month to month arrangement with the Company.

On November 15, 2010 Barry Sheahan, C.A. resigned as CFO in order to pursue other business opportunities. At that time Mr. Matthew G Wright, C.A. was appointed as CFO.

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

On February 4, 2011, Mr. Hrayr Agnerian, M.Sc.P.(Applied), Geo was appointed to the Board of Directors and is a technical consultant to the Company. Mr. Agnerian was the author of the NI 43-101 Technical Report on the Eaglehead property prepared in January 2011.

**FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

As at July 31, 2012 the Company's financial instruments consist of cash, short term investment, investment, and accounts payable and accrued liabilities

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

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

a) Credit Risk

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

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2012, the Company held cash and short term investments aggregating \$771,530 (July 31, 2011 - \$2,726,447) and had current liabilities of \$47,728 (July 31, 2011 - \$641,625). All of the Company's liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Market Risk

i) Interest Rate Risk

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

ii) Foreign Currency Risk

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

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

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, 2012, 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.

**BASIS OF PREPARATION AND FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Effective January 1, 2011, Canadian publically listed entities are required to prepare their financial statements in accordance with International Financials Reporting Standards ("IFRS"). IFRS represents standards and interpretations approved by the International Accounting Standards Board ("IASB") and are comprised of IFRS's, International Accounting Standards ("IAS"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

A requirement under IFRS is to present all comparative financial information on a basis consistent with the presentation adopted in the current fiscal quarter and accordingly our transition date is August 1, 2010.

The financial statements have been prepared in accordance with IFRS applicable to the preparation of financial statements, subject to certain transition elections which the Company has made which are discussed in detail in Note 16 to the financial statements.

The Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at August 1, 2010 and throughout all periods presented, as if these policies had always been in effect.

We have completed our IFRS conversion and as the IFRS framework continues to develop we will be continuing to monitor the potential effect of future changes upon the Company's reporting requirements.

The impact of transitioning to IFRS on the Company's reported financial position, financial performance and cash flows is detailed below in the following four tables.

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

1. Reconciliation of the Company's Statement of Financial Position as at the transition date of August 1, 2010

	August 1, 2010		
	Canadian GAAP	Effect of Transition	IFRS
<b>ASSETS</b>			
<b>Current</b>			
Cash	\$ 36,465	\$ -	\$ 36,465
Short term investments	1,003,062	-	1,003,062
Amounts receivable	3,343	-	3,343
B.C. Mining Tax Credit receivable	21,040	-	21,040
Exploration Advances	-	8,334 (i)	8,334
Prepaid expenses	403		403
	1,064,313	8,334	1,072,647
<b>Investment</b>	19,000	-	19,000
<b>Reclamation Deposits</b>	110,000	-	110,000
<b>Resource Property</b>	5,920,933	(8,334) (i)	
		(5,912,599) (i)	-
<b>Exploration and Evaluation Assets</b>	-	5,912,599 (i)	5,912,599
	\$ 7,114,246	\$ -	\$ 7,114,246
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$ 4,284	\$ -	\$ 4,284
<b>Deferred Tax Liabilities</b>	76,000	-	76,000
	80,284	-	80,284
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	8,541,922	1,139,025 (ii)	9,680,947
Contributed Surplus	674,144	(522,127)	152,017
Accumulated Other Comprehensive Loss	(5,500)	-	(5,500)
Deficit	(2,176,604)	(1,139,025) (ii)	
		522,127 (iii)	(2,793,502)
<b>Total Shareholders' Equity</b>	7,033,962	-	7,033,962
<b>Total Shareholders' Equity and Liabilities</b>	\$ 7,114,246	\$ -	\$ 7,114,246

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

3. Reconciliation of the Company's Statement of Financial Position as at July 31, 2011:

	<b>JULY 31, 2011</b>		
	<b>Canadian GAAP</b>	<b>Effect of Transition</b>	<b>IFRS</b>
<b>ASSETS</b>			
<b>Current</b>			
Cash	\$ 970,396	\$ -	\$ 970,396
Short term investments	1,756,051	-	1,756,051
Amounts receivable	137,727	-	137,727
B.C. Mining Tax Credit receivable	233,237	-	233,237
Exploration advances	-	8,334 (i)	8,334
	3,097,411	8,334	3,105,745
<b>Property Plant and Equipment</b>	3,760	-	3,760
<b>Investment</b>	16,000	-	16,000
<b>Reclamation Deposits</b>	110,000	-	110,000
<b>Resource Property</b>	6,958,455	(8,334) (i)	
		(6,950,121) (i)	-
<b>Exploration and Evaluation Assets</b>	-	6,950,121 (i)	6,950,121
	\$ 10,185,626	\$ -	\$ 10,185,626
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$ 641,625	\$ -	\$ 641,625
<b>Deferred Tax Liabilities</b>	-	-	-
	641,625	-	641,625
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	11,197,484	1,169,358 (ii)	12,366,842
Contributed Surplus	1,166,644	(587,417) (iii)	579,227
Accumulated Other Comprehensive Loss	(8,500)	-	(8,500)
Deficit	(2,811,627)	(1,169,358) (ii)	
		587,941 (iii)	(3,393,568)
<b>Total Shareholders' Equity</b>	9,544,001	-	9,544,001
<b>Total Shareholders' Equity and Liabilities</b>	\$ 10,185,626	\$ -	\$ 10,185,626



**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

4. Reconciliation of the Company's net loss and comprehensive loss reported in accordance with Canadian GAAP to its net loss and comprehensive loss in accordance with IFRS for the three months ended October 31, 2010 and the year ended July 31, 2011.

	<b>Year Ended July 31 2011</b>
Net loss as reported under pre-changeover Canadian GAAP	<b>\$ (635,023)</b>
IFRS adjustment decrease	
Deferred income taxes recovered	<b>(30,333)</b>
Net loss as reported under IFRS	<b>(665,356)</b>
Unrealized gain (loss) on available for sale investment	<b>(3,000)</b>
Comprehensive loss as reported under IFRS	<b>\$ (668,356)</b>

**Explanation of Reconciling Items**

i) Exploration and Evaluation Assets

i) Exploration and Evaluation Assets

Under IFRS 6 mineral property acquisition costs and deferred exploration costs are classified as Exploration and Evaluation Assets. Accordingly resource property costs have been reclassified to conform with financial statement presentation under IFRS.

Under pre-changeover Canadian GAAP, certain non-refundable advances made to contractors for exploration expenditures to be incurred on the Company's mineral properties were capitalized. Under IFRS 6 such advances are classified as exploration advances.

Management has determined that non-refundable advances of \$8,334 had been made at transition to IFRS and at July 31, 2011. All of these advances related to exploration of the Eaglehead property.

As a result, the resource property costs (reclassified as exploration and evaluation assets under IFRS) will decrease by \$8,334 at August 1, 2010; and July 31, 2012 with a corresponding increase to prepaid expenses at August 1, 2010 and July 31, 2011.

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

ii) Flow-through shares

Under pre-changeover Canadian GAAP, share capital was reduced by the amount recognized for future tax liabilities related to the renunciation of flow-through share expenditures at the time of renunciation, to the extent the Company has unrecognized tax benefits from loss carryforwards and tax pools in excess of book values the resulting deferred tax liability is offset by the recognition of previously unrecorded tax assets.

Under IFRS, the sale of flow-through shares results in a liability being recognized for the excess of the purchase price paid by the investors over the fair value of common shares without the flow-through feature (the "premium") and the fair value of the shares is recorded as equity. At the later of the renouncing and the incurrence of the expenditure the Company de-recognizes the liability and premium amount is recognized as a credit to deferred tax in the income statement. Also a future income tax liability is recorded for the amount of the benefits renounced to third parties and an income tax expense is recognized to the extent that the Company has unrecognized tax assets that are not expected to expire, the premiums are recognized in earnings at the time of the renunciation of the tax pools.

Management has determined that upon transition to IFRS, Share capital will increase by \$1,139,025 as a result of the reclassification of the aggregate tax effects of renunciations at August 1, 2010 and there is a corresponding increase to accumulated deficit at August 1, 2010. As at July 31, 2011, Share capital will increase by \$1,169,358 as a result of the reclassification of the aggregate tax effects of renunciations and there is a corresponding increase to accumulated deficit.

iii) Share-based payments and reserves

Expiration of share-based compensation – Under pre-changeover Canadian GAAP, the Company's policy was to leave the value recorded for expired, unexercised stock options and share purchase warrants in contributed surplus, now termed share-based reserve under IFRS.

The Company has changed its policy regarding expired share-based compensation whereby amounts recorded for expired, unexercised stock options and warrants are transferred to deficit on expiry. The impact of this change was to decrease the share-based reserve and decrease deficit by \$522,127 at August 1, 2010, by \$587,417 at July 31, 2011 and by \$657,701 at July 31, 2012.

The financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

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

### Critical Accounting Estimates

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

#### Impairment

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

#### Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Notes 9 and 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.

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

Rehabilitation provisions

Management's best estimates regarding the rehabilitation provisions are based on the current economic environment. 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. Based on management's best estimate, the Company does not have any significant rehabilitation obligations as at July 31, 2012 and 2011.

Going concern

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

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

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

**SUBSEQUENT EVENTS**

None

**PROPOSED TRANSACTIONS**

None

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

**OTHER INFORMATION**

**Outstanding Share Data**

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

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

*Common Shares*

	Number of Shares
Authorized Unlimited common shares, without par value	
Issued Balance at July 31, 2012 and November 27, 2012	27,515,998

*Share Purchase Warrants*

Number of Warrants	Exercise Price	Expiry Date
2,705,670	\$0.20 yr2	October 5, 2012
13,844,000	/\$0.40 yr 2	May 30, 2013

*Broker's Options*

Number of Broker's Options	Exercise Price	Expiry Date
938,610	\$0.20	May 30, 2013

*Escrow*

At July 31, 2012 and November 27, 2012 no shares were held in escrow.

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

*Stock Options*

---

Number of Shares	Exercise Price	Expiry Date
50,000	\$0.26	April 24, 2013
271,000	\$0.24	October 21, 2013
725,000	\$0.26	October 27, 2015
875,000	\$0.20	June 17, 2016
50,000	\$0.20	September 7, 2016

---

(1) Stock Options

Stock Options have been granted under the Company's current stock option plan which has been approved by shareholders. Under the terms of the plan, the number of unissued treasury shares equal to 20% of the Company's issued and outstanding shares on a rolling basis have been set aside for the grant of incentive stock options.

Options granted under the Plan contain the following provisions:

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

There are no other potential share issuance obligations outstanding as of November 27, 2012.

**INVESTOR RELATIONS CONTRACT**

On October 15, 2010, the Company entered in an Investor Relations/Corporate Development agreement KJN Management Ltd. ("KJN").which expired on October 14, 2011. Pursuant to the agreement KJN received \$3,000 (later amended to \$4,500) per month over the term of the agreement. Subsequent to the initial term, the contract reverted to a month to month arrangement.

**CONTRACTUAL OBLIGATIONS**

None

**RISKS AND UNCERTAINTIES**

**Limited Operating History**

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

**History of Losses**

The Company has incurred net losses every period since inception and as of July 31, 2012, had an accumulated deficit of \$4,066,963

**No History of Dividends**

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

**Dilution**

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

**Capital and Liquidity Risk**

The amount of financial resources available to invest for the enhancement of shareholder value is dependant upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity. Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.



### **Acquisition and Expansion Risk**

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

### **Dependence on Key Personnel**

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

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

### **MD&A PREPARATION**

This MD&A was prepared as of November 20, 2012. This MD&A should be read in conjunction with our latest audited financial statements as at July 31, 2011,. This MD&A is intended to assist the reader's understanding of **Carmax Mining Corp.** and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at [www.sedar.com](http://www.sedar.com)

### **Managements Responsibility for Financial Statements**

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

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

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

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

---

November 27, 2012

On behalf of Management and the Board of Directors,

"Jevin Werbes"

Jevin Werbes  
President

**SCHEDULE A**

**Assay Results from the Eaglehead Property**

EAST ZONE DRILL HOLES							
Hole ID	Intersection (m)		Interval (m)	% Cu	% Mo	g/t Ag	g/t Au
	From	To					
96	19.5	29.6	10.1	0.21	0.000	1.00	0.063
	46.5	51.5	5.0	0.46	0.010	0.90	0.095
	60.5	66.5	6.0	0.33	0.005	0.40	0.014
	89.0	95.0	6.0	0.39	0.001	4.40	0.708
	105.5	111.5	6.0	0.19	0.003	0.50	0.007
	132.5	158.0	25.5	0.25	0.006	0.70	0.151
	205.0	210.0	5.0	0.24	0.000	2.20	0.012
	226.0	231.0	5.0	0.22	0.005	1.20	0.071
	238.0	325.8	87.8	0.23	0.005	1.10	0.024
100	22.0	54.0	32.0	0.24	0.000	0.60	0.010
	138.0	149.0	11.0	0.84	0.022	1.80	0.051
	169.0	197.0	28.0	0.37	0.024	1.10	0.131
	239.0	244.0	5.0	0.28	0.002	0.50	0.010
	251.0	304.0	53.0	0.47	0.010	1.90	0.056
	321.0	334.0	13.0	0.18	N/A	N/A	0.010
	351.0	375.0	24.0	0.24	N/A	N/A	0.010
	414.0	423.0	9.0	0.42	N/A	N/A	0.218
	436.0	450.0	14.0	0.22	N/A	N/A	0.027
	473.0	518.0	45.0	0.28	0.010	1.20	0.040
101	154.0	160.0	6.0	0.39	0.002	1.30	0.024
	188.0	193.0	5.0	0.37	0.002	0.60	0.011
	216.0	264.0	48.0	0.26	0.011	0.90	0.028
102	24.0	58.0	34.0	0.52	0.008	2.90	0.043
	71.0	91.0	20.0	0.19	0.001	0.30	0.004
	151.0	155.0	4.0	0.18	0.000	0.60	0.018
	205.0	216.0	11.0	0.27	0.016	1.10	0.035
	238.0	259.0	21.0	0.24	0.009	1.20	0.198
	307.0	324.0	17.0	0.18	0.003	0.60	0.046
	350.0	353.0	3.0	0.21	0.003	0.50	0.026

**SCHEDULE A (Continued)**

**Assay Results from the Eaglehead Property**

EAST ZONE DRILL HOLES							
Hole ID	Intersection (m)		Interval (m)	% Cu	% Mo	g/t Ag	g/t Au
	From	To					
103	38.0	66.0	28.0	0.70	0.001	2.30	0.014
	109.0	120.0	11.0	0.17	0.002	0.30	0.012
	142.0	150.0	8.0	0.19	0.006	0.50	0.015
	186.0	191.0	5.0	0.60	0.001	0.40	0.031
	213.0	225.0	12.0	0.22	0.018	1.00	0.049
	233.0	270.0	37.0	0.20	0.004	0.80	0.050
104	38.0	47.0	9.0	0.23	0.000	0.40	0.010
	66.0	84.0	18.0	0.26	0.000	1.10	0.012
	96.0	108.0	12.0	0.32	0.001	1.30	0.039
	120.0	124.0	4.0	0.19	0.002	1.10	0.015
	135.0	146.0	11.0	0.55	0.005	1.70	0.018
	196.0	200.0	4.0	0.20	0.050	0.50	0.017
	248.0	251.0	3.0	0.36	0.012	1.60	0.054
	286.0	294.0	8.0	0.40	0.012	1.50	0.030
	347.0	350.0	3.0	0.31	0.014	1.90	0.153

**SCHEDULE A (Continued)**

**Assay Results from the Eaglehead Property**

<b>BORNITE ZONE DRILL HOLES</b>							
<b>Hole ID</b>	<b>Intersection (m)</b>		<b>Interval (m)</b>	<b>% Cu</b>	<b>% Mo</b>	<b>g/t Ag</b>	<b>g/t Au</b>
	<b>From</b>	<b>To</b>					
115	90.0	93.0	3.0	0.39	0.001	0.30	0.015
	178.0	194.0	16.0	0.27	0.001	0.70	0.084
	201.0	204.0	3.0	0.21	0.000	0.60	0.022
	213.0	227.0	14.0	0.20	0.001	0.80	0.018
	247.0	268.0	21.0	0.23	0.009	0.30	0.009
	306.0	309.0	3.0	0.20	0.004	0.80	0.042
	328.0	351.0	23.0	0.16	0.001	1.30	0.047
	363.0	374.0	11.0	0.29	0.007	0.60	0.013
116	14.0	36.0	22.0	0.38	0.002	2.20	0.058
	44.0	72.0	28.0	0.29	0.003	0.90	0.072
	142.0	181.0	39.0	0.50	0.030	1.40	0.106
	188.0	251.0	63.0	0.51	0.016	1.80	0.554
	258.0	261.0	3.0	0.30	0.003	3.10	0.322
	277.0	281.0	4.0	0.30	0.009	0.20	0.008
	295.0	300.0	5.0	0.21	0.006	0.40	0.027
	316.0	318.4	2.4	0.32	0.006	4.40	0.506
119	222.0	227.0	5.0	0.80	0.010	1.60	0.012
	236.0	241.0	5.0	0.31	0.002	1.10	0.051
	287.0	309.0	22.0	0.27	0.002	1.10	0.095
	338.0	347.0	9.0	0.32	0.003	2.60	0.206

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

**SCHEDULE A (Continued)**

**Assay Results from the Eaglehead Property**

Hole ID	Intersection (m)		Interval (m)	Azimuth (°)	Inclination (°)	% Cu	% Mo	g/t Ag	g/t Au
	From	To							
	99A	40.0							
	182.0	203.0	21.0			0.99	0.001	4.90	0.060
	419.0	422.0	3.0			0.21	0.004	0.60	0.010
100	22.0	54.0	32.0	3.5	-50	0.24	0.000	0.60	0.010
	138.0	149.0	11.0			0.84	0.022	1.80	0.051
Including	143.0	148.0	5.0			1.27	0.023	2.90	0.071
	169.0	197.0	28.0			0.37	0.024	1.10	0.131
	239.0	244.0	5.0			0.28	0.002	0.50	0.010
	251.0	304.0	53.0			0.47	0.010	1.90	0.056
Including	285.0	297.0	12.0			1.05	0.038	5.60	0.201
	309.0	313.0	4.0			0.43	0.001	0.70	0.010
	321.0	334.0	13.0			0.18	0.001	0.60	0.010
	351.0	375.0	24.0			0.24	0.003	0.70	0.010
	414.0	423.0	9.0			0.42	0.023	3.70	0.218
	436.0	450.0	14.0			0.22	0.015	0.80	0.027
	473.0	518.0	45.0			0.28	0.010	1.20	0.040
105	36.0	55.0	19.0	22	-60	0.68	0.002	2.20	0.023
Including	39.0	44.0	5.0			1.56	0.001	5.10	0.025
	70.0	81.0	11.0			0.18	0.004	0.40	0.008
	98.0	103.0	5.0			0.25	0.004	1.10	0.010
	108.0	113.0	5.0			0.22	0.002	0.60	0.031
	181.0	187.0	6.0			0.17	0.001	0.50	0.007
	214.0	219.0	5.0			0.31	0.002	1.40	0.014
	295.0	330.0	35.0			0.47	0.004	0.80	0.028
Including	296.0	299.0	3.0			3.33	0.008	2.40	0.038
	339.0	343.0	4.0			0.33	0.001	2.30	0.082
	370.0	375.0	5.0			0.24	0.003	1.30	0.024
	393.0	401.0	8.0			0.28	0.004	0.50	0.179

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

**SCHEDULE A (Continued)**

**Assay Results from the Eaglehead Property**

Hole ID	Intersection (m)		Interval (m)	Azimuth (°)	Inclination (°)	% Cu	% Mo	g/t Ag	g/t Au
	From	To							
	106	60.0							
	87.0	94.0	7.0			0.36	0.001	1.80	0.048
	102.0	111.0	9.0			0.24	0.005	1.20	0.013
	142.0	150.0	8.0			0.33	0.014	0.70	0.022
	157.0	160.0	3.0			0.33	0.018	1.30	0.045
	166.0	171.0	5.0			0.36	0.001	1.20	0.018
	189.0	207.0	18.0			0.35	0.033	2.80	0.166
Including	202.0	205.0	3.0			1.16	0.022	8.40	0.637
	217.0	233.0	16.0			0.39	0.018	2.10	0.040
Including	217.0	220.0	3.0			0.91	0.033	6.20	0.041
	281.0	296.0	15.0			0.37	0.012	1.70	0.236
107	131.0	144.0	13.0	6.2	-49	0.23	0.002	0.70	0.011
	156.0	222.0	66.0			0.27	0.006	1.40	0.063
Including	200.0	208.0	8.0			0.48	0.012	2.60	0.279
	233.0	241.0	8.0			0.22	0.004	1.10	0.015
	260.0	278.0	18.0			0.26	0.004	1.10	0.041
	284.0	291.0	7.0			0.70	0.004	1.60	0.092
108	30.0	40.0	10.0	22	-50	0.25	0.003	1.40	0.133
	56.0	62.0	6.0			0.19	0.007	1.70	0.062
	85.0	100.0	15.0			0.38	0.001	2.30	0.033
	119.0	122.0	3.0			0.93	0.003	3.20	0.018
	260.0	264.0	4.0			0.22	0.001	0.70	0.020
109	102.0	115.0	13.0	3.5	-55	0.34	0.005	2.00	0.048
Including	109.0	115.0	6.0			0.57	0.009	3.60	0.082
	130.0	149.0	19.0			0.19	0.003	0.90	0.031
	161.0	164.0	3.0			0.26	0.002	0.50	0.012

**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

**SCHEDULE A (Continued)**

**Assay Results from the Eaglehead Property**

Hole ID	Intersection (m)		Interval (m)	Azimuth (°)	Inclination (°)	% Cu	% Mo	g/t Ag	g/t Au
	From	To							
	<b>BORNITE ZONE DRILL HOLES</b>								
110	32.0	58.0	26.0	7.3	-65	0.25	0.000	0.60	0.014
Including	40.0	44.0	4.0			0.47	0.000	1.40	0.027
	71.0	74.0	3.0			0.42	0.001	1.10	0.065
	104.0	107.0	3.0			0.34	0.001	1.00	0.027
	117.0	128.0	11.0			0.24	0.001	0.60	0.029
	138.0	153.0	15.0			0.27	0.001	0.80	0.025
Including	151.0	153.0	2.0			0.60	0.003	1.10	0.015
	159.0	176.0	17.0			0.30	0.001	0.50	0.023
	194.0	231.0	37.0			0.45	0.007	1.00	0.034
Including	200.0	202.0	2.0			1.52	0.020	2.40	0.094
& Including	208.0	211.0	3.0			1.45	0.023	3.80	0.248
	239.0	258.0	19.0			0.28	0.003	1.70	0.019
	267.0	302.0	35.0			0.47	0.004	3.60	0.082
Including	273.0	275.0	2.0			1.20	0.001	3.60	0.157
& Including	297.0	299.0	2.0			2.24	0.002	14.50	0.337
	311.0	329.0	18.0			0.31	0.004	1.30	0.048
	344.0	361.0	17.0			0.32	0.004	2.30	0.107
111	31.0	46.0	15.0	0	-47	0.30	0.000	2.80	0.036
	62.0	82.0	20.0			2.04	0.005	9.30	0.208
Including	74.0	82.0	8.0			4.81	0.011	22.00	0.499
	87.0	101.0	14.0			0.28	0.002	3.40	0.113
	113.0	137.0	24.0			0.29	0.009	1.90	0.134
	190.0	196.0	6.0			0.36	0.002	0.80	0.136
112B	70.0	91.0	21.0	2.2	-65	0.71	0.009	6.20	0.597
Including	74.0	82.0	8.0			1.04	0.016	10.00	0.130
	111.0	145.0	34.0			0.58	0.013	6.40	0.202
Including	126.0	135.0	9.0			1.23	0.017	16.50	0.285
	151.0	162.0	11.0			0.33	0.002	1.70	0.093
	167.0	170.0	3.0			0.22	0.009	0.90	0.026
	207.0	219.0	12.0			0.21	0.000	0.70	0.027
	251.0	260.0	9.0			0.14	0.001	2.20	1.265



**CARMAX MINING CORP**  
**Year Ended July 31, 2012**  
**Management's Discussion and Analysis**

**SCHEDULE A (Continued)**

**Assay Results from the Eaglehead Property**

Hole ID	Intersection (m)		Interval (m)	Azimuth (°)	Inclination (°)	% Cu	% Mo	g/t Ag	g/t Au	
	From	To								
113	9.7	16.0	6.3	6.7	-50	0.36	0.001	1.80	0.111	
	34.0	47.0	13.0			0.29	0.001	0.50	0.019	
	92.0	178.0	86.0			0.30	0.014	1.00	0.137	
	Including	110.0	118.0			8.0	0.75	0.017	1.40	0.099
	198.0	215.0	17.0			0.19	0.001	1.40	0.069	
114	15.0	22.0	7.0	5.2	-62	0.18	0.000	0.30	0.001	
	50.0	55.0	5.0			0.52	0.004	4.10	0.070	
	134.0	295.0	161.0			0.54	0.029	2.30	0.284	
	Including	134.0	137.0			3.0	1.77	0.016	15.80	0.571
	& Including	160.0	164.0			4.0	1.01	0.139	5.00	0.272
	& Including	195.0	204.0			9.0	1.30	0.058	2.60	0.078
	& Including	209.0	215.0			6.0	1.06	0.020	2.20	0.899
	& Including	225.0	233.0			8.0	1.17	0.065	4.10	1.088
	& Including	288.0	294.0			6.0	0.85	0.034	4.60	0.399
117	7.0	12.0	5.0	2	-54	0.22	0.001	1.20	0.031	
	21.0	26.0	5.0			0.26	0.000	0.50	0.022	
	127.0	133.0	6.0			0.19	0.002	0.30	0.006	
	187.0	192.0	5.0			0.44	0.002	1.40	0.022	
	200.0	212.0	12.0			0.16	0.005	1.40	0.055	
	226.0	231.0	5.0			0.24	0.001	0.80	0.036	
	279.0	284.0	5.0			0.73	0.008	1.50	0.017	
	292.0	303.0	11.0			0.18	0.003	0.20	0.010	
	322.0	329.0	7.0			0.16	0.002	0.50	0.027	
118	30.0	34.0	4.0	5.3	-53	0.16	0.000	0.40	0.006	
	71.0	79.0	8.0			0.21	0.001	0.70	0.011	
	132.0	142.0	10.0			0.22	0.001	2.00	0.049	
	200.0	209.0	9.0			0.19	0.000	0.50	0.005	

**SCHEDULE A (Continued)**

**Assay Results from the Eaglehead Property**

Hole ID	Intersection (m)		Interval (m)	Azimuth (°)	Inclination (°)	% Cu	% Mo	g/t Ag	g/t Au
	From	To							
	120	31.0							
Including	36.0	40.0	4.0			1.42	0.013	3.20	0.022
	61.0	92.0	30.0			0.45	0.013	1.30	0.132
Including	71.0	73.0	2.0			1.03	0.006	2.90	0.142
	99.0	102.0	3.0			0.23	0.011	1.60	0.009
	122.0	129.0	7.0			0.25	0.001	1.20	0.218
	141.0	146.0	5.0			0.83	0.003	1.20	0.026
	160.0	164.0	4.0			0.20	0.003	0.70	0.049