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Fundamental Research Corp.

Investment Analysis for Intelligent Investors

March 13, 2009

Carmax Explorations Ltd. (TSXV: CMX) – Shares trading below cash

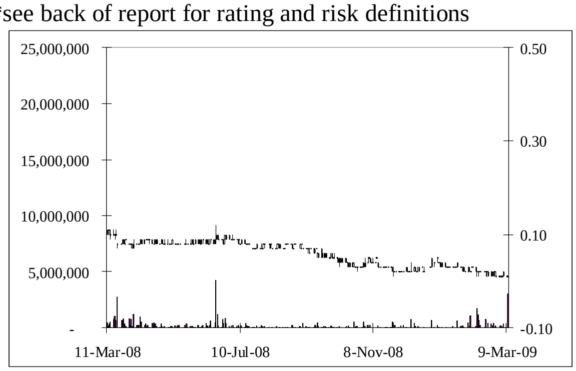
Sector/Industry: Junior Mining

www.carmaxex.com

Market Data (as of March 11, 2009)

Current Price	**C$0.005**
Fair Value	**C$0.10 (↓)**
Rating*	**BUY**
Risk*	**5 (Highly Spec)**
52 Week Range	C$0.005 - C$0.120
Shares O/S	96.34 mm
Market Cap	C$0.48 mm
Current Yield	N/A
P/E (forward)	N/A
P/B	0.06
YoY Return	-95.5%
YoY TSX	-68.4%

*see back of report for rating and risk definitions



Investment Highlights

- In February 2009, the company announced plans to consolidate shares on a 10 for 1 basis, and a name change to Carmax Mining Corp. The company will be convening a Special General Meeting on April 16, 2009, for approval.
- Carmax now has a 60% interest in the Eaglehead property. The remaining 40% can be acquired by spending an additional $0.8 million on the property by October 2011(the company expects to spend that that in 2009), and a payment of $50,000 and 500,000 shares by October 31, 2010.
- The 2008 drilling program indicated the expansion of the mineralized zone both down dip and to the east from the previous drill holes #55 (historic) and #79 (2007 program). Both these holes had experienced high grade intercepts similar to the 2008 hole# 87 which averaged 3.16% Cu, 1.31 % Mo, 26gm Ag, 18.67gm Au over 3.05 m.
- Carmax is currently assembling all the information from previous drilling programs to establish a tonnage for the project and to delineate future drill targets.
- Access to power continues to be a major issue for Eaglehead and the adjacent projects.
- **At the end of October 2008, the company had $1.83 million in cash. Shares are currently trading below cash value, which means that investors can get the projects for free if they buy shares at current price levels.**

Key Financial Data (FYE - July 31)

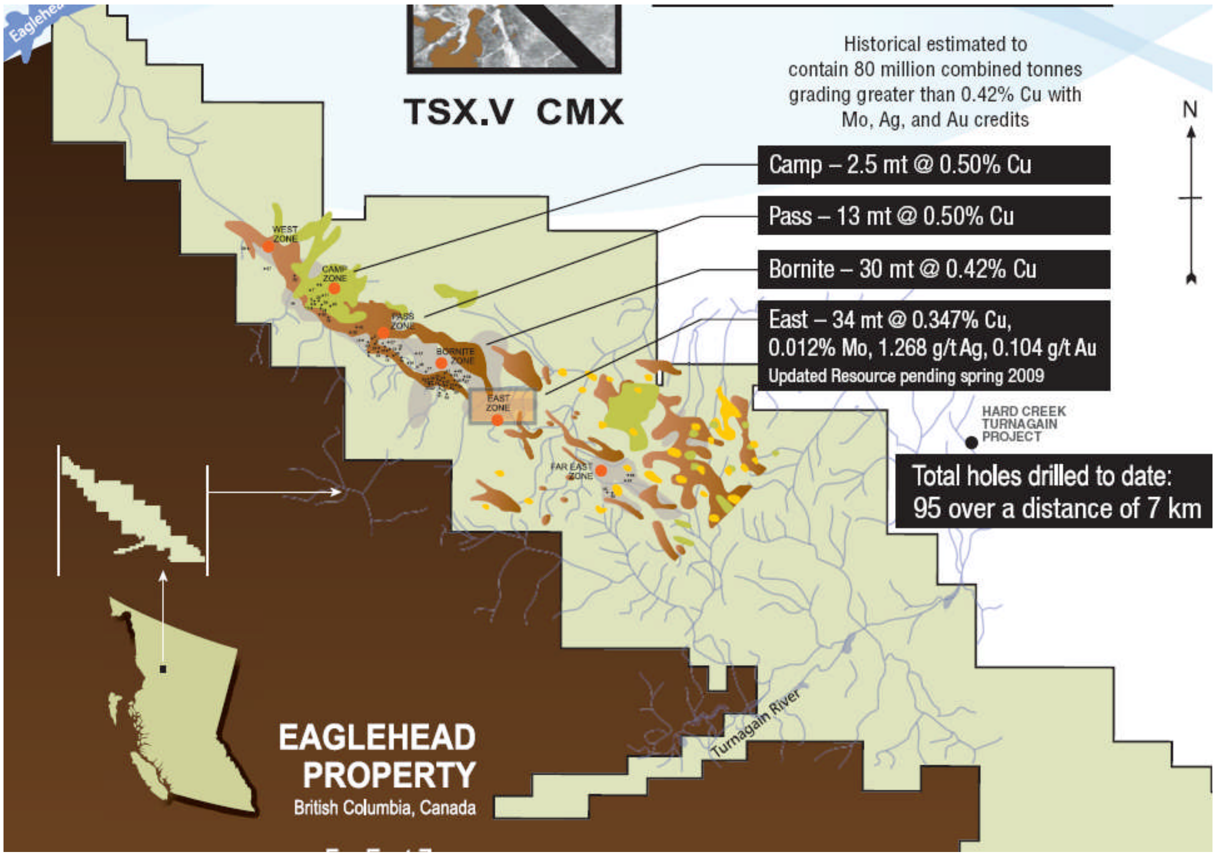
(C $)	**2006**	**2007**	**2008**	**Q1 2009**
Cash	1,027,343	2,161,910	3,266,098	1,834,273
Working Capital	1,025,530	2,132,605	2,762,025	1,898,963
Mineral Assets	1,072,565	2,180,139	4,772,171	5,477,636
Total Assets	2,213,756	4,481,845	8,183,585	7,545,937
Net Income	(306,308)	(469,203)	(14,453)	(133,271)
EPS	(0.01)	(0.01)	(0.00)	(0.00)

Carmax Explorations is exploring the Eaglehead property in British Columbia and the Whiskeyjack property in Northern Ontario, Canada. The Eaglehead property has historic estimates totaling approximately 54 million tonnes grading 0.44% copper not including molybdenum, gold, and silver credits in three mineralized zones. We believe, significant exploration potential still exists on the property.

PLEASE READ THE IMPORTANT DISCLOSURES AT THE BACK OF THIS REPORT

Overview

The company's flagship property, the Eaglehead, has been determined to contain six mineralized zones, which includes the West Zone, the Camp Zone, the Pass Zone, the Bornite Zone, the East Zone and the Far East Zone. 95 holes have been drilled on the property to date, of which, 59 were drilled prior to 1980, and 36 were drilled by the company since 2006. The image below shows the six mineralized zones with their historic/conceptual resource estimates.



Source: Company

The property has a historic resource estimate of 53.5 million tonnes (0.44% Cu) in the Bornite, Pass, Camp and East zones. Since our initiating report in February 2008, the company has calculated a conceptual resource estimate for the East zone of 34 million tonnes at 0.347% Cu (historic estimate - 9 million tonnes at 0.4% Cu). The estimate was based on a strike length of 450m, and depth of 300m. It was derived from a 11 hole drill program covering 1,559 meters; the 1,559 meters were not continuous, but represented the total sum of all the intercepts.

Carmax now has a 60% interest in the property. The company has spent a total of $5.2 million on the property to date. The remaining 40% can be acquired by spending an additional $0.8 million on the property by October 2011 (the company expects to spend all of that in 2009), and a payment of $50,000 and 500,000 shares by October 31, 2010. The property is subject to a 2.5% NSR royalty. Carmax is currently assembling all information from previous drilling to establish a tonnage for the project and delineate future drill targets.

2008 drilling program

The main focus of the 2008 drilling program was to expand on the positive results from the East zone in the 2007 drilling program. The best hole from the 2007 program (hole #79 intersected 390 meters of 0.275% Cu, 0.016% Mo, 1.49 gpt Ag, 0.094 gpt Au) was in the East Zone, which extended the known mineralized zone over 340m east. In 2008, the company drilled 14 holes totaling 5,495m, of which, 13 were in the East zone and 1 (DDH #95) was in the Far East Zone to test a previously unexplored 3-D IP anomaly. Carmax announced the results of this program (shown below) in January 2009.

DRILL HOLE	METERS	Cu %	Mo %	Ag gm/t	Au gm/t
82	30.48-419.71=389.23	0.29	0.046	1.085	0.065
83	30.48-397.15 = 366.67	0.196	0.01	0.139	0.096
84	23.16-447.14 = 423.98	0.24	0.015	0.522	0.056
85	93.57-108.81 = 15.24	0.322	0.004	<5	0.02
	181.97-212.45 = 30.48	0.173	<0.001	<5	0.037
86	33.53-453.24 = 419.71	0.318	0.028	0.898	0.073
87	18.29-431.90 = 413.61	0.271	0.02	2.277	0.249
	incl. 349.60-352.65 = 3.05	**3.162**	**1.308**	**26**	**18.67**
88	42.67-401.42 = 358.75	0.227	0.021	0.733	0.064
89	28.04-396.54 = 398.50	0.203	0.002	0.96	0.013
90	161.54-172.52 = 10.98	0.186	<0.001	<5	0.025
	205.74-230.12 = 24.38	0.276	0.008	<5	0.052
	326.75-362.10 = 35.35	0.273	0.013	<5	0.044
91	132.28-162.00 = 29.72	0.13	0.001	<5	0.015
	175.56-190.04 = 14.48	0.158	<0.002	<5	<0.001
	235.92-241.10 = 5.18	0.194	0.002	<5	0.011
92	23.16-441.96 = 418.80	0.203	0.007	0.366	0.029
93	39.62-435.25 = 395.63	0.23	0.017	1.926	0.072
94	54.86-423.06 = 368.20	0.186	0.006	1.214	0.043
95	23.93-26.37=2.44m				0.19
	37.03-39.62=2.59m				0.12
	54.47-60.66=5.18m				0.11
	78.79-87.02=8.23m				0.11
	78.79-95.25=16.46				0.167
	107.90-113.39=5.49				0.88
	131.98-134.72=2.74				1.1
	137.01-139.75=2.74				0.12

Source: Company

Although it is encouraging to see that all the holes intersected mineralization, grades on wider intervals typically ranged between 0.2 – 0.3%; which is lower than the 0.347% used to calculate the conceptual resource in the East zone mentioned earlier. However, the results indicated the expansion of the mineralized zone both down dip and to the east from the previous drill holes #55 (historic) and #79 (2007 program). Both these holes had experienced high grade intercepts similar to the 2008 hole# 87 which averaged 3.16% Cu, 1.31 % Mo, 26gm Ag, 18.67gm Au over 3.05 m.

Carmax has passed on the drill hole survey and assay data to their independent consultant in order to calculate a resource estimate and delineate future drill targets.

Northern Power Line Extension - We had mentioned in our initiating report that power is an issue for this project and the adjacent projects. The proposed $400 million Northwest Extension Power Line through northwestern British Columbia, from Terrace to Bob Quinn Lake, to provide power to Novagold (TSX: NG)/Teck Cominco (TSX: TCK)'s Galore Creek project, has been cancelled as the Galore Creek project has been put on hold. In addition to the Eaglehead project, several other projects, including Imperial Metals' (TSX: III) Red Chris copper-gold project, Copper Fox Metals' (TSXV: CUU) Schaft Creek copper-gold-silver-molybdenum property, and Hard Creek Nickel's (TSX: HNC) Turnagain nickel property, located in northwestern B.C., were depending on this proposed power line.

An recently conducted independent study by Macquarie North America found that:

- The Northwest Power Line Extension could attract about $3.5 billion in mining investments,
- Holds the potential to create 2,000 jobs, and
- Create more than $300 million in economic activity and direct more than $75 million to governments annually from taxes.

We believe, these are motivating factors for the province to invest in the proposed power line. **However, until we see any move by the government pertaining to this matter, we believe this issue will continue to put downward pressure on the value of all projects in the area.** Our opinion is that the Galore Creek Mine will proceed eventually, and the power line will be constructed in the future.

Whiskeyjack

The company's joint venture partner Alexandria Minerals (TSXV: AZX) completed a winter drill program consisting of three diamond drill holes. The three holes were drilled stepping out from a 2007 drill hole MAT-08-7 which had returned 2.25 g/t Au over 6m at a depth of 165.5m. Assays are pending.

Outlook on Copper

We have maintained our long-term copper price forecast at US$2.03/lb.

Financials

At the end of October 2008, the company had $1.83 million in cash. Working capital and the current ratio were $1.90 million and 61.8, respectively. In Q1-2009 (quarter ended October

2008), the company posted a net loss of $0.13 million (EPS: -$0.00). We estimate the company had a burn rate (including exploration expenses) of $0.53 million per month in Q1-2009, and $0.20 million per month in FY2008 (12 month period ended July 2008). The significant increase in burn rate was a result of the 2008 drilling program. The table below shows a summary of the company's cash and liquidity position at the end of October 2008.

(in C$)	2006	2007	2008	Q1 2009
Working Capital	1,025,530	2,132,605	2,762,025	1,898,963
Current Ratio	53.4	34.7	6.0	61.8
LT Debts/ Assets	-	-	-	-
Burn Rate (incl exploration costs)	(74,827)	(112,457)	(202,960)	(531,659)
Cash from financing activities	1,704,736	2,562,816	3,539,706	-

Options and Warrants: We estimate the company currently has 4.60 million stock options and 14.63 million warrants outstanding. None of the outstanding options and warrants are currently 'in-the-money'.

Conclusion: At the end of October 2008, the company had $1.83 million in cash. We estimate cash will last for at least the next 6 months.

Valuation

Our revised valuation on the company is $0.09 per share, down from $0.18 per share. Valuation dropped as the average ratio of enterprise value to resources of comparable companies dropped from $0.04/lb to $0.02/lb.

Comparables Valuation Model

	Company	EV / Resource
1	Norsemont Mining Inc.	$0.036
2	Chariot Resources	$0.034
3	Antares Minerals Inc.	$0.017
4	Copper Mountain Mining Corporation	$0.015
5	Redhawk Resources Inc.	$0.012
6	Nevada Copper Corp.	$0.008
7	Candente Resource Corp.	$0.008
8	Abacus Mining and Exploration Corp.	$0.007
9	Western Copper Corp.	$0.005
	Average EV / Resource	**$0.016**
	Fair Value of CMX	**$0.09**

1. EV was calculated based on the average share price in the last 12 months
2. Enterprise Value = Market Capitalization + Debt - Cash
3. Resource Estimates = Measured and Indicated, and half of Inferred resources

We have continued to value the company solely based on a comparables valuation model as the currently known historic/conceptual resource estimate on the Eaglehead Property is too low to perform a Discounted Cash Flow (DCF) or a real options valuation.

Conclusions & Rating

Based on our revised valuation model and review of the company's progress since our initiating report, we reiterate our BUY rating, but lower our fair value from $0.20 to $0.10 per share.

Risks

The following risks, though not exhaustive, may cause our estimates to differ from actual results:

- The company does not currently have any NI 43-101 compliant resource estimates
- The success of drilling, expansion, and delineation of favorable resource estimates are important long-term success factors for the company
- Access to power
- The value of the company depends on copper, molybdenum, silver and gold prices
- The company is subject to delays that are affecting the entire mining industry
- Access to capital and share dilution

Fundamental Research Corp. Equity Rating Scale:
Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk
Hold – Annual expected rate of return is between 5% and 12%
Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk
Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:
1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues, and may rely on external funding. These stocks are considered highly speculative.

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