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## NEWS RELEASE

TSX-V: CXM

July 19, 2016

### EAGLEHEAD TITLE DISPUTE

**Carmax Mining Corp. (“Carmax” CXM-V).** On June 14, 2016 Carmax received notice that 7 parties had filed a Petition in the Supreme Court of British Columbia against the Chief Gold Commissioner (the “CGC”) requesting a judicial review of his decision to reinstate Carmax’s claim #1034634. The decision of the CGC was issued on April 22, 2016 and made the subject matter of Carmax’s News Release of April 22, 2016.

The Petitioners’ in the action are intervening claim holders that map staked and filed applications under the Mineral Titles Online (the “MTO”) website for the grant of 41 intervening claims covering the area of Carmax’s claim within a period of 48 hours after Carmax’s mineral claim would otherwise without the relief granted by the CGC in his decision have forfeited on April 11, 2016.

The Petitioners’ request for a judicial review is based on two grounds, the first of which relates to the manner in which the CGC interpreted his authority under s. 67 of the *Mineral Tenure Act* (the “Act”) and the factors he considered relevant in exercising his discretion. The second ground is a challenge of the procedure employed by the CGC in making his determination.

Following Carmax’s receipt of the Petition and on July 14, 2016 Carmax received the Response of the CGC also filed in the proceedings. In that Response, the CGC takes issue with the position taken by the Petitioners in their filings and states “the standard of review applicable to the CGC’s interpretation of the scope of his authority and choice of relevant considerations is reasonableness”. The response further states “the terms of s.67 of the Act are unambiguous and clearly set out that the CGC may set aside the forfeiture of a claim resulting from the recorded holder’s failure to comply with requirement of the Act within a time limit, may extend the time for compliance, and may delete an intervening claim. There are no statutory conditions to the exercise of the CGC’s discretion under s. 67; it is expressed in the widest terms”.

The Response of the CGC further states “the consideration that the CGC acted upon in the present case- obvious inadvertence by the forfeited claim holder given its significant investment, together with balancing of prejudice to the forfeited claim holder against prejudice to the intervening claim holders- were within the perspective of the statute and reasonable. Even if the Petitioners’ restrictive interpretation were being accepted as an alternate reasonable approach, there is no basis to conclude that the CGC’s broader view of the relevant considerations was outside “the range of acceptable outcomes that are defensible in respect of the facts and the law”.

With respect to the second issue raised by the Petitioners', that the CGC was obliged to provide a court-like adversarial process involving discovery and cross-examination, the CGC takes the position that the grant of adversarial hearing rights depends on the notion that fault is a relevant consideration. In addressing this position, the CGC asserts a view of his authority under s.67 that mere inadvertence by Carmax sufficed to provide a basis for relief from forfeiture. "If one accepts as reasonable the CGC's substantive decision-making, the elaborate procedural rights proposed by the Petitioners are not only inapposite to the context, but simply unnecessary".

As a remedy the CGC further states that "if the Court concludes that the decision was unreasonable or was reached in a procedurally unfair matter the Court's remedial jurisdiction is limited to quashing the decision and remitting the matter to the CGC for reconsideration. On a judicial review the Court may not step into the shoes of the CGC to exercise the decision-making power assigned to the CGC under s. 67 of the Act."

Carmax is not a party to the proceedings. Until the Petition is heard, Carmax's title to the Eaglehead property could be in doubt.

Carmax has adequate confidence that the decision of the CGC will prevail when heard. As a result, its 2016 exploration program currently in progress on the Eaglehead property will continue without interruption.

## **About Carmax**

Carmax is a Canadian company engaged in exploration for porphyry copper-gold-molybdenum deposits in northwestern British Columbia.

For further information, please visit the website at [www.carmaxmining.com](http://www.carmaxmining.com) to view the Company's profile or contact Jevin Werbes at 604-620-7737.

*"Jevin Werbes"*

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Jevin Werbes, President

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In connection with the forward-looking information contained in this news release, Carmax has made numerous assumptions. While Carmax considers these assumptions to be reasonable, these assumptions are inherently

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