

*A copy of this preliminary prospectus has been filed with the securities regulatory authorities in the provinces of Alberta, British Columbia, Saskatchewan and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the security regulatory authorities.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States.*

## PRELIMINARY PROSPECTUS

Initial Public Offering

October 19, 2011

# CMX GOLD & SILVER CORP.

MINIMUM \$2,650,000  
13,250,000 UNITS  
MAXIMUM \$4,000,000  
20,000,000 UNITS

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PRICE: \$0.20 PER UNIT

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This Prospectus is being filed to qualify the initial public offering (the "**Offering**") of up to a maximum of 20,000,000 units (the "**Units**") in the capital of CMX Gold & Silver Corp. (the "**Corporation**" or "**CMX**") at a price of \$0.20 per Unit (the "**Offering Price**") pursuant to an agency agreement (the "**Agency Agreement**") dated as of [●], 2011, between the Corporation and Union Securities Ltd. (the "**Agent**"). Each Unit will consist of one common share in the capital of the Corporation ("**Common Share**") and one non-transferable Common Share purchase warrant (a "**Warrant**"), which are qualified for distribution by this prospectus. Each Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of \$0.35 per Common Share, expiring 24 months (the "**Expiry Date**") following the Closing Date (as defined herein). The Expiry Date is subject to acceleration - see "*Capital Structure of the Corporation - Warrants*".

	Price to the Public <sup>(1)</sup>	Agent's Fee <sup>(2)</sup>	Net Proceeds to the Corporation <sup>(3)</sup>
Per Unit .....	\$0.20	\$0.016	\$0.184
Minimum Offering <sup>(4)</sup> (13,250,000 Units).....	\$2,650,000	\$212,000	\$2,438,000
Maximum Offering (20,000,000 Units).....	\$4,000,000	\$320,000	\$3,680,000

Notes:

- (1) The Offering Price has been determined by negotiation between the Corporation and the Agent.
- (2) The Agent will be paid a fee in cash (the "**Agent's Fee**") of 8% of all gross proceeds raised by the Agent and 2% of all gross proceeds raised by the Corporation pursuant to the Offering. The Corporation will also grant non-transferable agent's options to the Agent ("**Agent's Options**"), entitling the Agent to purchase that number of Units (the "**Agent's Units**") equal to 10% of the number of Units sold by the Agent and 2% of the number of Units sold by the Corporation pursuant to the Offering. The Agent's Options will be exercisable at an exercise price equal to the Offering Price for 24 months from the Closing Date. The Agent will also receive a corporate finance fee of \$10,000 (the "**Corporate Finance Fee**"), of which \$5,000 is a non-refundable fee that has been paid, and \$5,000 is payable at Closing. See "*Plan of Distribution*". This Prospectus will qualify the Agent's Options issued to the Agent. The Corporation will also pay the Agent's expenses, including reasonable legal fees and disbursements. See "*Plan of Distribution*".
- (3) Before deducting expenses of the Offering, which are estimated to be approximately \$100,000, which will be paid by the Corporation from the proceeds of the Offering. See "*Use of Proceeds*".
- (4) There will be no Closing unless a minimum of 13,250,000 Units are sold. If subscriptions for a minimum of 13,250,000 Units have not been received within 90 days following the date of issuance of a receipt for the final prospectus, or such other date as the regulatory authorities may permit, this Offering may not continue and subscription proceeds will be returned to Subscribers, without interest or deduction, unless an amendment to the final prospectus is filed. The proceeds from subscriptions will be received by the Agent or such other registered dealers or brokers as are authorized by the Agent pending the Closing.

The Corporation has applied to list the Common Shares and Warrants on the TSX Venture Exchange Inc. (the "TSXV"). Listing of the Common Shares and Warrants is subject to approval by the TSXV of the Corporation's listing application and fulfillment by the Corporation of all of the TSXV's listing requirements. **There is currently no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".**

**As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on (i) the Toronto Stock Exchange; (ii) a U.S. Marketplace; or (iii) a marketplace outside of Canada and the U.S.**

**An investment in the Units is subject to a number of risks that should be considered by a prospective Subscriber. See "Risk Factors".**

The Agent offers the Units on a commercially reasonable best efforts basis, if, as and when issued by the Corporation in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of the Corporation by Macleod Dixon LLP, and on behalf of the Agent by Burstall Winger LLP. See "*Plan of Distribution*".

This Offering is not underwritten and is subject to the receipt by the Agent of subscriptions for the minimum Offering in the amount of \$2,650,000. In the event that subscriptions totalling \$2,650,000 are not received within 90 days following the issuance of the receipts for the final prospectus or such other date as the regulatory authorities may permit and to which the Corporation and the Agent may agree, then all of the subscription funds received will be promptly returned to the Subscribers by the Agent, without interest or deduction unless otherwise consented to by the Subscribers.

<u>Agent's Position</u>	<u>Maximum Size or Number of Securities Available</u>	<u>Exercise Period or Acquisition Date</u>	<u>Exercise Price or Average Acquisition Price</u>
Agent's Option	2,000,000 Agent's Shares	24 months from the Closing Date	\$0.20/Unit

Note:

(1) In addition to the Units, this Prospectus also qualifies for distribution the Agent's Option issued to the Agent. See "Plan of Distribution".

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Certificates representing securities offered hereunder are expected to be available at the closing of the Offering (the "**Closing**"), which is expected to occur not later than 90 days after a receipt for the final prospectus unless an amendment to the final prospectus is filed and the regulator has issued a receipt for the amendment.

The head office of CMX is located at P.O. Box 60019, 677 Cougar Ridge Drive S.W., Calgary, Alberta, T3H 5J0. The registered office of CMX is located at 3700, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2. CMX is currently a reporting issuer in each of the provinces of British Columbia, Alberta and Ontario, and will become a reporting issuer in Saskatchewan upon receiving a receipt for the final prospectus.

The Agent:  
 Union Securities Ltd.  
 Suite 1750, 300 - 5th Avenue S.W.  
 Calgary, Alberta T2P 3C4  
 Tel: 403-215-2180 Fax: 403-237-5546

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## FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Prospectus, such statements use such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate" and other similar terminology. These statements reflect the Corporation's current expectations regarding future events and operating performance and speak only as of the date of this Prospectus. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed below and under "Risk Factors". Although the forward-looking statements contained in this Prospectus are based upon what management of the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Prospectus and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, neither the Corporation, nor the Agent assume any obligation to update or revise them to reflect new events or circumstances.

In particular, this Prospectus contains forward-looking statements pertaining to the following:

- investment objectives and strategy;
- the development plans of the Corporation;
- the Corporation's intentions, results of operations, levels of activity, future capital and other requirements and expenditures (including the amount, nature and sources of funding thereof);
- competitive advantages;
- business prospects and opportunities;
- exploration plans and budgets;
- the future price of silver or other metals;
- the estimation of mineral resources;
- government regulation of mining operations;
- dependence on personnel; and
- expectations regarding market prices and costs.

With respect to forward-looking statements contained in this Prospectus, the Corporation has made assumptions regarding, among other things:

- the Corporation's ability to find commercial quantities of minerals;
- the impact of increasing competition; and
- the Corporation's ability to obtain additional financing on satisfactory terms.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Prospectus:

- the Corporation's limited history;
- the Corporation's negative operating cash flow;
- the risks associated with exploration and mining operations;
- fluctuations of metal prices;
- key-man and liability insurance, uninsurable risks;
- future financing requirements;
- environmental regulations;
- dependence on limited properties;
- title to properties;
- governmental and regulatory requirements;
- adequate infrastructure;
- costs of land reclamation;

- absence of public trading market;
- currency exposure;
- competition;
- dividends;
- conflicts of interest; and
- the market for the Common Shares.

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of Macleod Dixon LLP, counsel to the Corporation and Burstall Winger LLP, counsel to the Agent, the Common Shares and Warrants offered hereunder and the Common Shares issuable upon exercise of the Warrants will be, at the time of their issuance, "qualified investments" under the *Income Tax Act* (Canada) for trusts governed by a registered retirement savings plan (a "RRSP"), a registered retirement income fund ("RRIF"), a registered education savings plan, a deferred profit sharing plan, a registered disability savings plan and a tax-free savings account ("TFSA") (collectively "**Exempt Plans**"), provided that:

- (i) in the case of the Common Shares, the Common Shares are listed on a designated stock exchange (which includes the TSXV) at the time of their issuance;
- (ii) in the case of the Warrants, the Common Shares are listed on a designated stock exchange (which includes the TSXV) at the time of issuance of the Warrants, and the Corporation and any person who does not deal at arm's length (within the meaning of the Tax Act) with the Corporation is not an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the Exempt Plan at such time; and
- (iii) in the case of the Common Shares issuable on the exercise of the Warrants, the Common Shares are listed on a designated stock exchange (which includes the TSXV) at the time of their issuance.

However, the holder of a trust governed by a TFSA (or, if certain proposals contained in the June 6, 2011 Federal Budget are enacted as proposed, the annuitant under a RRSP or RRIF) that holds Common Shares or Warrants will be subject to a penalty tax if such Common Shares or Warrants are a "prohibited investment" for the purposes of the *Income Tax Act* (Canada). The Common Shares and Warrants will generally be a "prohibited investment" if the holder or the annuitant, as the case may be, does not deal at arm's length with the Corporation for the purposes of the *Income Tax Act* (Canada) or the holder or the annuitant, as the case may be, has a "significant interest" (within the meaning of the *Income Tax Act* (Canada)) in the Corporation or a corporation, partnership or trust with which the Corporation does not deal at arm's length for the purposes of the *Income Tax Act* (Canada). On August 16, 2011, the Department of Finance (Canada) released draft legislation to implement the proposals from the June 6, 2011 Federal Budget. **Prospective holders should consult their own tax advisors regarding their particular circumstances.**

### **DOCUMENTS INCORPORATED BY REFERENCE**

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Executive Officer of the Corporation at 677 Cougar Ridge SW, P.O. Box 60019, Calgary, Alberta, T3H 5J0 (facsimile 403-246-3018). Copies of the documents incorporated herein by reference are also available at [www.sedar.com](http://www.sedar.com).

The following documents of the Corporation, filed with the various provincial securities commissions or similar authorities in Canada, are specifically incorporated into and form an integral part of this Prospectus:

- the audited financial statements of the Corporation together with the independent auditors' report thereon and the notes thereto as at and for the year ended December 31, 2010 (the "**2010 Annual Financials**");

- the audited financial statements of the Corporation together with the independent auditors' report thereon and the notes thereto as at and for the years ended December 31, 2009 and 2008 (the "**2009 Annual Financials**") and together with the 2010 Annual Financials, the "**Annual Financials**")
- the management's discussion and analysis of the financial condition and operations of the Corporation for the year ended December 31, 2010 (the "**Annual MD&A**");
- the unaudited interim financial statements of the Corporation together with the notes thereto as at and for the six-month periods ended June 30, 2011 and 2010 (the "**Interim Financials**");
- the management's discussion and analysis of the financial condition and operations of the Corporation for the periods ended June 30, 2011 (the "**Interim MD&A**");
- the information circular dated December 29, 2010 in connection with the annual and special meeting of shareholders of the Corporation held January 28, 2011 (the "**Information Circular**");
- the material change report dated April 18, 2011 in respect of the Corporation's option of the Marietta Property;
- the material change report dated February 22, 2011 in respect of the Corporation's acquisition of the Clayton Property;
- the material change report dated August 9, 2010 in respect of the cancellation of the previously announced exploration project in Silver Valley, Idaho;
- the NI 43-101 compliant technical report with respect to the Marietta Property dated April 7, 2011, prepared by J.A. Thomson Consulting, Ph.D., LG, LLC.; and
- the NI 43-101 compliant technical report with respect to the Clayton Property dated March 31, 2011, prepared by J.A. Thomson Consulting, Ph.D., LG, LLC.

## GLOSSARY

When used in this Prospectus, the following terms have the following meanings ascribed thereto:

"**1933 Act**" means the *U.S. Securities Act of 1933*, as amended;

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended;

"**Agency Agreement**" means the Agency Agreement between the Corporation and the Agent dated [•], 2011 with respect to the Offering as more particularly described under the heading "*Plan of Distribution*";

"**Agent**" means Union Securities Ltd.;

"**Agent's Fee**" means a fee of 8% of the gross proceeds from the sale of the Units raised by the Agent and 2% of the gross proceeds from the sale of the Units raised by the Corporation, pursuant to the Offering to be paid to the Agent;

"**Agent's Options**" means the options granted to the Agent pursuant to the Agency Agreement, entitling the Agent to purchase that number of Agent's Units equal to 10% of the number of Units sold by the Agents and 2% of the number of Units sold by the Corporation, pursuant to the Offering exercisable at a price of \$0.20 per Unit for a period of 24 months from the Closing Date;

"**Agent's Units**" means the Units, if any, to be issued to the Agent on exercise of the Agent's Options;

"**associate**" has the meaning ascribed thereto in the *Securities Act* (Alberta);

"**Azteca**" means Azteca Gold Corp., a corporation incorporated under the ABCA;

"**Board**" or "**Board of Directors**" means the board of directors of the Corporation;

"**Business Day**" means a day other than a Saturday, Sunday or other day when banks in the City of Calgary, Alberta are not generally open for business;

"**Clayton Exploration Project**" means the exploration project on the Clayton Property as described in the Clayton Report;

"**Clayton Property**" means the property located approximately 1.5 miles from the town of Clayton in Custer County, in central Idaho;

"**Clayton Report**" means the March 31, 2011 technical report of the Clayton Property compliant with NI 43-101 prepared by J.A. Thomson Consulting, Ph.D., LG, LLC.;

"**Closing**" means closing of the offering of Units which is expected to occur not later than 90 days after a receipt for the final prospectus unless an amendment to the final prospectus is filed and the regulator has issued a receipt for the amendment;

"**Closing Date**" means the date on which the Closing occurs;

"**CMX**" or the "**Corporation**" means CMX Gold & Silver Corp. (formerly known as Liard Resources Ltd.), a corporation incorporated under the ABCA;

"**Common Shares**" means the common shares in the capital of the Corporation;

"**control**" and related terms including "**controlling**" and "**controlled**", shall mean the possession, directly or indirectly, by or on behalf of a person or group of persons acting jointly or in concert, of the following in respect of another person: (i) in the case where the other person is a corporation, the power to vote more than 50% of the securities having ordinary voting power for the election of directors of such corporation; (ii) in the case where the other person is a limited partnership, the power to control the general partner of the limited partnership; and (iii) in

the case where the other person is other than a corporation or limited partnership, any of: (1) the power to exercise more than 50% of the voting rights in such person; or (2) the right to receive more than 50% of the distributions made by that person;

**"Corporate Finance Fee"** means the corporate finance fee payable to the Agent pursuant to the Agency Agreement in the total amount of \$10,000, of which \$5,000 is a non-refundable fee that has been paid and \$5,000 is payable at Closing;

**"Corporation"** or **"CMX"** means CMX Gold & Silver Corp., a corporation incorporated under the laws of the Province of Alberta;

**"CRA"** means the Canada Revenue Agency and any successor thereto;

**"Escrow Agreement"** means the escrow agreement to be entered into pursuant to NP 46-201 among the Escrowed Shareholders, the Corporation and Olympia Trust Company;

**"Escrowed Shareholders"** means the Shareholders who are directors or officers or who purchased Common Shares less than \$0.05 per Common Shares;

**"Escrowed Securities"** means those Common Shares and common share purchase warrants required to be escrowed pursuant to NP 46-201 and Exchange Policy 5.4 *Escrow, Vendor Consideration and Resale Restrictions*;

**"Expiry Date"** means the expiry date of the Warrants, which is the earlier of 24 months from the Closing Date or in the event that the Common Shares trade for 20 consecutive trading days at \$0.70 or more on the facilities of the TSXV, 30 days from the Notice Date;

**"IPO"** means the initial public offering of the Units of the Corporation;

**"Listing Date"** means the date on which the Common Shares are listed on the TSXV;

**"Marietta Exploration Project"** means the exploration project on the Marietta Property as described in the Marietta Report;

**"Marietta Property"** means the property situated within the Marietta Mining District, Mineral County, Nevada;

**"Marietta Report"** means the April 7, 2011 technical report of the Marietta Property compliant with NI 43-101 prepared by J.A. Thomson Consulting, Ph.D., LG, LLC.;

**"Material Shareholder"** means a Shareholder holding a sufficient number of Common Shares to materially affect the control of CMX;

**"NI 41-101"** means National Instrument 41-101 - *General Prospectus Requirements*;

**"NI 43-101"** means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*;

**"NI 52-110"** means National Instrument 52-110 - *Audit Committees*;

**"Notice Date"** means the date that the Corporation, by way of news release, publicly announces that it is exercising its option to give notice to holders of Warrants that the Warrants will expire 30 days from the day the news release is disseminated;

**"NP 46-201"** means National Policy 46-201 - *Escrow for Initial Public Offerings*;

**"Offering Price"** means \$0.20 per Unit;

**"Offering"** means the initial public offering of a minimum of 13,250,000 Units and up to a maximum of 20,000,000 Units of the Corporation as described in this Prospectus;



**"Option"** means an option to acquire Common Shares granted pursuant to the Option Plan;

**"Option Agreement"** means the option agreement entered into April 18, 2011 and dated effective March 17, 2011, between Azteca and the Corporation, pursuant to which the Corporation has been granted the option to earn up to a 50% right, title and interest in and to the Marietta Property by incurring up to US\$2,000,000 in exploration expenditures in exchange for 2,500,000 Common Shares at a deemed price of \$0.10 per Common Share;

**"Option Plan"** means the stock option plan of the Corporation adopted on January 28, 2011;

**"person"** includes any individual, partnership, firm, trust, body corporate, government, governmental body, agency or instrumentality, unincorporated body of persons or association and pronouns have a similarly extended meaning;

**"Prospectus"** means this prospectus of the Corporation dated October 19, 2011;

**"SEC"** means the U.S. Securities and Exchange Commission;

**"Securities Act"** means the *Securities Act* (Alberta), as amended;

**"Securities Authorities"** means, collectively, the securities commissions or similar securities regulatory authorities in each of the Provinces and Territories of Canada and the SEC in the U.S.;

**"SEDAR"** means the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com);

**"Shareholder"** means a holder of Common Shares;

**"Subco"** means CMX Gold & Silver Corp., a wholly owned subsidiary of CMX incorporated under the laws of Idaho;

**"Subscriber"** means a subscriber for Units hereunder;

**"subsidiary"** has the meaning ascribed thereto in the Securities Act (and shall include all trusts or partnerships directly or indirectly owned by CMX);

**"Tax Act"** means the *Income Tax Act* (Canada) as amended;

**"TSX"** means the Toronto Stock Exchange;

**"TSXV"** means the TSX Venture Exchange Inc.;

**"U.S."** means the United States of America;

**"Units"** means the units of the Corporation offered for sale under this Prospectus whereby each unit is comprised of one Common Share and one Warrant;

**"Warrant"** means the non-transferable Common Share purchase warrant of the Corporation comprising part of the Units; each Warrant will entitle the holder thereof to acquire one Common Share in the capital of the Corporation at an exercise price of \$0.35 until the Expiry Date, subject to accelerated expiry in the circumstances outlined herein;

**"Warrant Indenture"** means the warrant indenture to be entered into between the Corporation and Olympia Trust Company; and

**"Warrant Trustee"** means Olympia Trust Company, the warrant trustee pursuant to the Warrant Indenture.

**Dollar references in this Prospectus are in Canadian dollars unless otherwise indicated. The rate of exchange used for the Canadian dollar, expressed in U.S. dollars, is Canadian \$1.00 = US\$●.**

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of this Offering and should be read together with the more detailed information and financial data and statements appearing elsewhere in this Prospectus. Certain capitalized terms used but not defined in this summary are defined elsewhere in this Prospectus.*

### **The Offering**

***The Corporation:*** CMX is an exploration stage company engaged in the acquisition, exploration and development of silver and gold/copper properties in the U.S. The Corporation was incorporated under the ABCA on July 30, 1986. See "*The Corporation - General*".

***The Offering:*** The Corporation is offering to the public, through the Agent, a minimum of 13,250,000 Units and up to a maximum of 20,000,000 Units at a price of \$0.20 per Unit for aggregate gross proceeds of a minimum of \$2,650,000 and up to a maximum of \$4,000,000. Each Unit is comprised of one Common Share and one Warrant (which are qualified for distribution by this prospectus), and each Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of \$0.35 per Common Share until the Expiry Date, subject to accelerated expiry. See "*Plan of Distribution*" and "*Capital Structure of the Corporation - Warrants*".

***Agent's Compensation:*** The Agent will be paid the Agent's Fee in the amount of 8% of the gross proceeds from the sale of the Units raised by the Agent and 2% of the gross proceeds from the sale of the Units raised by the Corporation, pursuant to the Offering.

The Corporation will also grant Agent's Options, entitling the Agent to purchase that number of Agent's Units equal to 10% of the number of Units sold by the Agent and 2% of the number of Units sold by the Corporation, pursuant to the Offering. The Agent's Options will be exercisable at an exercise price equal to the Offering Price for 24 months from Closing.

The Agent will also receive the Corporate Finance Fee of \$10,000, of which \$5,000 is a non-refundable fee that has been paid, and \$5,000 is payable at Closing.

The Corporation will also pay the Agent's expenses, including reasonable legal fees.

See "*Plan of Distribution*".

### ***Qualification for Distribution:***

In addition to the Units, this Prospectus also qualifies the Agent's Options issued to the Agent. This Prospectus also qualifies the Common Shares issuable upon exercise of the Options that the Corporation intends to grant to the directors, officers and consultants of the Corporation at Closing. See "*Plan of Distribution*" and "*Stock Option Plan*".

### ***Use of Proceeds:***

Assuming the issuance of the minimum of 13,250,000 Units, the estimated net proceeds to be received by the Corporation will be \$2,338,000 after the deduction of the Agent's Fee of \$212,000 and the estimated expenses of the Offering of \$100,000, including the Corporate Finance Fee. Assuming the issuance of the maximum of 20,000,000 Units, the estimated net proceeds to be received by the Corporation will be \$3,580,000 after the deduction of the Agent's Fee of \$320,000 and the estimated expenses of the Offering of \$100,000, including the Corporate Finance Fee.

The net proceeds payable to the Corporation will be used to pay for exploration and development programs on the Corporation's mineral properties and for general working capital purposes. See "*Use of Proceeds*". The exploration and development programs will be on the Clayton Property and the Marietta Property, which are located in the U.S.

**Eligibility for Investment:**

See "Eligibility for Investment".

**Risk Factors:**

There is currently no market through which the Common Shares and Warrants may be sold and Subscribers may not be able to resell securities purchased under this Prospectus. An investment in the Units involves a high degree of risk and should be considered highly speculative due to the nature of the Corporation's business and its relatively early stage of development and should only be considered by persons who can afford to lose all or some of their investment. Other risk factors associated with an investment in the Units are listed under the heading "Risk Factors".

**Selected Financial Information:**

The following table sets out selected financial information for the Corporation for the period and as at the date indicated. These financial statements are qualified in their entirety by the Corporation's audited financial statements, which are incorporated by reference into this Prospectus. See "Management's Discussion and Analysis" and "Selected Financial Information".

The following tables set out selected financial information concerning CMX before and after giving effect to the Offering.

Reference should be made to the Annual Financials which are incorporated by reference into this document and available on SEDAR at [www.sedar.com](http://www.sedar.com).

Statement of Operations and Comprehensive Loss

	<b>CMX for the Year Ended December 31, 2010</b>	<b>CMX as at December 31, 2010 After Giving Effect to the Offering<sup>(1)</sup></b>
	<b>(audited)</b>	<b>(unaudited)</b>
Revenue	\$nil	\$nil
Net and comprehensive loss for the year	\$308,825	\$308,825
Basic and diluted loss per share	\$0.042	\$0.007

Balance Sheet

	<b>CMX as at December 31, 2010</b>	<b>CMX as at December 31, 2010 After Giving Effect to the Offering<sup>(1)</sup></b>
	<b>(audited)</b>	<b>(unaudited)</b>
Total assets	\$546,586	\$3,812,412
Total liabilities	\$457,734	\$143,560
Shareholders' equity	\$88,852	\$3,668,852

Note:

(1) Assuming maximum gross proceeds of \$4,000,000.

Assuming the maximum gross proceeds raised pursuant to the Offering, following the completion of the Offering, CMX will have approximately \$3,580,000 in available funds which it will use as follows:

<b>Purpose</b>	<b>Amount</b>
Current obligations under the Clayton Agreement <sup>(1)</sup>	\$996,900
Current obligations under the Marietta Agreement <sup>(2)</sup>	1,088,500
General and administrative next 12-month period	515,000
Applied to working capital	979,600
Total	<u>\$3,580,000</u>

**Notes:**

- (1) The current Phase 1 Clayton budget is \$996,250.
- (2) The current Phase 1 Marietta budget is \$993,500.

## THE CORPORATION

### General

CMX Gold & Silver Corp. is an exploration stage company engaged in the acquisition, exploration and development of silver and gold/copper properties in the U.S. The Corporation was incorporated under the ABCA on July 30, 1986 as 352060 Alberta Inc. It changed its name to Northcor Enterprises Ltd. on October 31, 1986, to Encee Group Ltd. on May 11, 1987, to Liard Resources Ltd. on August 6, 1996 and finally to CMX Gold & Silver Corp. on February 11, 2011.

The head office of CMX is located at P.O. Box 60019 677 Cougar Ridge Drive S.W., Calgary, Alberta, T3H 5J0. The registered office of CMX is located at 3700, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2. CMX is a reporting issuer in each of the provinces of British Columbia, Alberta and Ontario, and will become a reporting issuer in Saskatchewan upon receiving a receipt for the final prospectus.

The Corporation's only subsidiary, Subco, is wholly-owned and was incorporated on October 11, 2011 pursuant to the laws of the State of Idaho. See "*Business of the Corporation*".

## BUSINESS OF THE CORPORATION

### General

The Corporation's business is the identification, acquisition, exploration and development of mineral properties, primarily in the U.S.

### History

CMX started as an investment holding company with shareholdings in public junior oil and gas exploration and production companies. In 1987, CMX was one of a group of companies that issued shares under a Securities Exchange Take-Over Bid Circular and subsequently became a reporting issuer. Three other companies of the group have previously been listed on a recognized exchange: Canadian Northcor Energy Ltd. (subsequently Purcell Energy Ltd.) in 1987 on the Vancouver Stock Exchange (as it then was), Kemano Gold Corp. in 1988 (Kemano Gold Corp. was subsequently merged with Canadian Northcor Energy Ltd. in 1993 to form Purcell Energy Ltd.), and Target Carbons Ltd. on the Alberta Stock Exchange (as it then was). In 2003, the Corporation began winding down its operations with the view to selling off its assets and distributing the proceeds amongst the Shareholders. In 2004, the Securities Authorities in Alberta, Ontario and British Columbia issued cease trade orders (the "**Orders**") against CMX for failing to meet certain continuous disclosure obligations. Specifically, the Orders were issued as a result of the Corporation's failure to file its annual audited financial statements for the year ended December 31, 2003 and the first quarter interim unaudited financial statements for the period ended March 31, 2004 (the "**Financial Statements**") and for failing to send the Financial Statements to each Shareholder. In 2006, substantially all of the Corporation's investments were sold with the net proceeds being distributed to the Shareholders as dividends. In 2007 and 2008 the Corporation was inactive, other than to assess new business opportunities in the later months of 2008.

In March 2009, the Corporation, after a period of inactivity, completed the filing of its outstanding financial statements and the Orders were revoked on April 27, April 28 and May 4, 2009 by the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission, respectively.

On April 23, 2009, the Shareholders of the Corporation approved the plan of arrangement with respect to the acquisition of a 50% interest in a mineral property located in the State of Idaho. The other 50% interest was held by Azteca, the operator of the property. As one of the conditions to the transaction, on May 28, 2009 the Corporation completed a private placement with the issuance of 5,000,000 units at a price of \$0.05 per unit, each unit comprised of one Common Share and one Common Share purchase warrant with each Common Share purchase warrant entitling the holder to purchase one Common Share for \$0.25 per Common Share for a period of two years, for total proceeds of \$250,000. On August 9, 2010, the Corporation announced that the acquisition had been cancelled upon the mutual agreement of both parties when a number of conditions could not be satisfied. One-half of the 5,000,000 units sold pursuant to the private placement were returned to treasury and cancelled.

On December 16, 2010, the Corporation completed private placements of 4,800,000 units at a price of \$0.05 for aggregate gross proceeds of US\$240,000. The units were comprised of one Common Share and one Common Share purchase warrant with each Common Share purchase warrant entitling the holder to purchase one Common Share for \$0.15 per Common Share for a period of two years. On February 22, 2011, the Corporation announced that it had acquired an exploration project, the Clayton Property located in the state of Idaho, for a cost of US\$500,000. The Corporation paid US\$250,000 in cash and issued 2,500,000 Common Shares at US\$0.10 per Common Share as payment for the Clayton Property. In connection with this acquisition, CMX issued an additional 897,280 Common Shares to Azteca as a finder's fee and agreed to grant an option to purchase 3,000,000 Common Shares at a price of US\$0.10 per Common Share exercisable for a period of two years from the Listing Date.

In addition to the December 2010 private placements and the issuance of Common Shares for payment in part for the Clayton Property acquisition, over the first five months of 2011 the Corporation closed several private placements and issued securities in settlement of certain debts aggregating 6,781,740 Common Shares for total consideration of \$406,587. See "*Prior Sales*".

On April 18, 2011, the Corporation entered into the Option Agreement with Azteca to earn up to a 50 percent interest in the Marietta Property in west-central Nevada. CMX issued to Azteca 2,500,000 Common Shares at a deemed price of US\$0.10 per Common Share as an option payment. Pursuant to the Option Agreement, CMX agreed to incur an aggregate of US\$2,000,000 in exploration expenses on the property over a period of two years from the Listing Date. If the listing does not occur prior to December 18, 2011, then each party has the right to terminate the Option Agreement and, in such event, Azteca will return the 2,500,000 Common Shares for cancellation.

Pursuant to the Option Agreement, CMX will earn a 30 percent interest in the Marietta Property by spending at least US\$1,000,000 in exploration expenses on the Marietta Exploration Project. Further exploration expenditures of at least US\$1,000,000 will earn CMX an additional 20 percent interest in the property. After earning a 50 percent interest, the Corporation will have the option of obtaining operatorship under a joint venture by spending another US\$500,000 within six months of exercising such option. CMX and Azteca have agreed to an area of interest consisting of all mineral claims, mining leases or other mineral interests lying within a distance of two kilometres from the external perimeter of the Marietta Property.

As of date hereof, the Corporation has 23,352,274 Common Shares issued and outstanding.

### ***Clayton Property***

The Clayton Report dated March 31, 2011, was prepared at the request of CMX so as to conform to NI 43-101. In accordance with the requirements of NI 41-101, the issuer with mineral properties may satisfy the mineral property disclosure requirements by reproducing the summary from the technical report on the property, and incorporating the detailed disclosure in the technical report into this Prospectus by reference. The summary from the report reproduced below provides a summary of the physical setting, geology, mining history, and mineral exploration potential of the Clayton Exploration Project and provides recommendations for exploration.

Following is information about the Clayton Property, which has been summarized or is a direct extract from the Clayton Report. Certain figures and tables from the Clayton Report are included in this Prospectus. The remaining figures and tables are contained in the Clayton Report (NI 43-101), which has been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Most of the information about the property and surrounding areas are given in U.S. terms and units, although metric units are also used at times. References to currency is in U.S. dollars.

### **Summary**

The Clayton Report, dated March 31, 2011, was prepared for CMX and provides a summary of the physical setting, geology, mining history, and mineral exploration potential of the Clayton Exploration Project.

The silver mine located on the Clayton Property (the "**Clayton Silver Mine**") was discovered in 1877, and was historically one of the most active mines in the Bayhorse Mining District in central Idaho. The Clayton Silver Mine, operated by Clayton Mines, Inc. under the ownership of the Clayton Mining Corporation from 1935 through 1986,

was one of nearly 50 in the district. From 1935 to 1985, the mine produced approximately 6.7 million ounces of silver, 83.5 million pounds of lead, an estimated 28.9 million pounds of zinc, 1.4 million pounds of copper and nearly 1,454 ounces of gold (collectively, the "**Clayton Production**"). A new production record for the first quarter of 1983 (16,676 tons of ore) was reached, however, in 1983 a 6.9 magnitude earthquake with an epicenter 25 miles from Clayton caused water to accumulate in the underground workings and suspended mining operations. A large-capacity pumping system allowed for continued operations in 1984, however, the mine closed on May 24, 1986, primarily due to low metal prices.

Little practical infrastructure remains on the surface of the mine with the exception of several old buildings, the hoist, and a large metal storage shed. In 1999, the U.S. Environmental Protection Agency ("**EPA**") removed and disposed of hazardous mill and assay lab-related chemicals from the site that were left when the operation ceased. In 2001, the EPA completed a time-critical removal action to stabilize mine tailings to prevent erosion into Kinnikinic Creek, control infiltration of water into tailings and seepage of water from tailings, and to minimize wind erosion. The final report produced by the EPA summarizes the actions taken to remediate the site. This remediation was successful.

Main rock types in the immediate vicinity of the mine consist of Paleozoic age (Cambrian-Ordovician) sedimentary rocks including the Kinnikinic Quartzite, Ella Dolomite and the Clayton Mine Quartzite. The Ella Dolomite is the host rock for the mineralization at the Clayton Silver Mine and the adjacent Rob Roy property to the north of the Clayton Silver Mine. Rocks of the Cretaceous Idaho batholith are exposed to the west and the youngest rocks that cover the Paleozoic sedimentary rocks and the Idaho batholith are Eocene Challis volcanic rocks which are poorly exposed in the ridges to the west of the mine. The Paleozoic rocks are deformed into a northwest trending asymmetric anticline (the "**Clayton Anticline**"). Ore deposits appear to be restricted to the east flank of this fold and are associated with shear zones that parallel bedding in the Ella Dolomite. Regional thrust faults, high angle normal and reverse longitudinal faults, and transverse strike slip faults have been identified in the region. The latter faults cut the former structures and the anticline.

The Clayton Report recommends that current mine owners should procure all drill records (if they exist) and records pertaining to ore bodies already discovered and exploited in the Clayton Silver Mine that are available from previous ownership.

The Clayton Report recommends the initiation of the Phase 1 drilling program to examine rocks not yet explored below the 1100 ft level of the existing mine workings in order to estimate the extent of the ore body below the 1100 ft level. The deepest historical hole ended in mineralization, 427 feet below the 1100 ft level. The Idaho Department of Water Resources must be notified prior to commencement of any mining or milling operations or prior to deposition of any tailings on the reclaimed impoundment. Exploration drilling is not considered mining or milling and in Idaho is typically permissible on private, patented ground without mining permits.

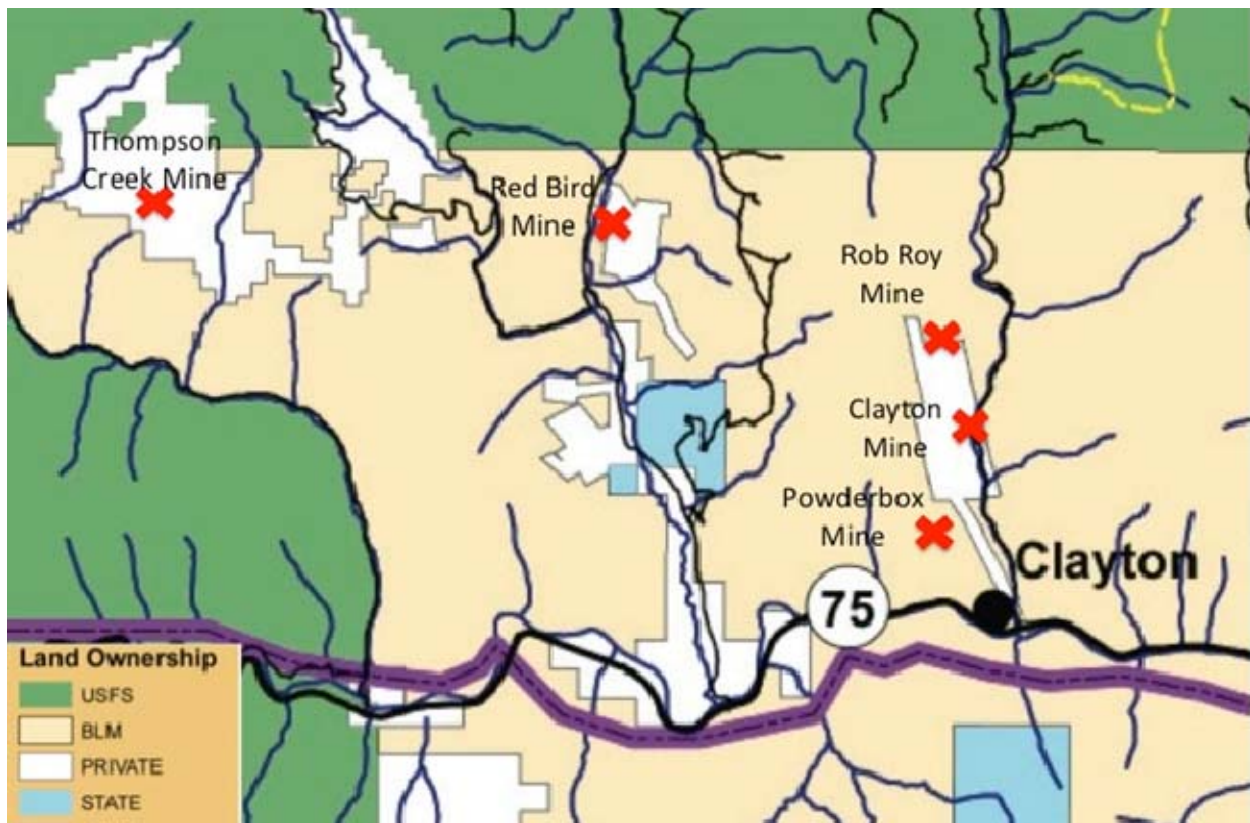
#### **Clayton Property Historical Production Value 1935 to 1985**

Tons Ore milled (U.S. Short Ton)	1,769,360
Silver (ounces)	6,700,000
Lead (pounds)	83,500,000
Zinc (pounds)	28,891,466
Copper (pounds)	1,401,605
Gold (ounces)	1,454
<i>Total Value<sup>(1)</sup></i>	<i>U.S. \$389,543,000</i>
<i>Value per Ton<sup>(1)</sup></i>	<i>U.S. \$220.16</i>

Note:

(1) Commodity spot closing prices on September 20, 2011 in U.S. currency: Silver \$39.74 per ounce; Lead \$1.06 per pound; Zinc \$0.93 per pound; Copper \$3.76 per pound; Gold \$1,813 per ounce.

#### **Clayton Property Location Map**



**Budget**

The Clayton Exploration Project is a 100% venture by CMX. The Clayton Exploration Project plan will focus on the Clayton Anticline below the 1100 ft level of the Clayton Silver Mine that has been relatively unexplored and not part of the Clayton Production. The exploration plan is divided into two phases, Phase 1 and Phase 2.

Phase 1 will consist of geological analysis and data recovery of existing geological/geophysical data and recovery of old records left at the site or in the hands of former employees. Some data is available in the Defense Minerals Exploration Administration and Office of Minerals Exploration docket, but retrieval of drill records from the 1980's would be beneficial. It will also include exploration, geologic data analysis and drill hole targeting on the patented property. Drilling will include approximately three drill holes (1,500 – 2,500 ft. each maximum) on the Clayton patented property representing 5,400 ft of initial drilling. The drilling and assaying and initial geological work will be approximately a six month effort.

Phase 2 (following successful completion of Phase 1) proposes to drill eight additional holes to delineate probable ore reserves for the mine, representing 20,000 ft of additional in-field exploration drilling. With the current reserves of approximately 300,000 tons, the goal of the proposed two-phase exploration program would be to delineate approximately an additional 1.5 to 3 million tons of ore in the Clayton Silver Mine.

Tables 1 and 2 illustrate the proposed program budgets for the project designed to reach the objectives outlined above.

Table 1 - Proposed Clayton Exploration Project budget – Phase 1. All amounts in U.S. dollars.

Exploration Office	\$/mo	Months	Total \$
Project Manager	12,500	5	62,500
Geologist (\$/mo)	8,000	5	40,000
Geologist - Assistant	4,000	5	20,000



<b>Expense Item</b>	<b>Unit Cost</b>	<b>QTY</b>	<b>Amount</b>
Field/travel	\$10,000	1	\$10,000
Field vehicles	\$5,000	1	\$5,000
Geochemical samples (\$/sample)	\$50	100	\$5,000
Metallurgy/QA	\$15,000	1	\$15,000
Geologist (\$/mo) – Consulting	\$2,000	2.5	\$5,000
Field assistants (\$/mo)	\$1,500	2.5	\$3,750
Environmental audit/permits	\$5,000	1	\$5,000
Drill road/site preparation (Hours)	\$90	100	\$9,000
Road Maintenance	\$8,000	1	\$8,000
Gyro, drill hole survey	\$10,000	1	\$10,000
Drilling Mobilization/ Demobilization	\$5,000	2	\$10,000
Drilling (target footage, \$/ft),	\$130	5400	\$702,000
Geochem Assays (ICP & Fire Assay)	\$75	1000	\$75,000
Aerial photography	\$0	0	\$0
Surface access agreement	\$5,000	1	\$5,000
			<b>\$996,250</b>

Table 2 - Proposed Clayton Exploration Project budget – Phase 2. All amounts in U.S. dollars.

<b>Phase 2: 12 Months</b>			
<b>Exploration Office</b>	<b>\$/mo</b>	<b>Months</b>	<b>Total \$</b>
<b>Manager</b>	<b>12,500</b>	<b>12</b>	<b>150,000</b>
<b>Geologist (\$/mo)</b>	<b>8,000</b>	<b>12</b>	<b>96,000</b>
<b>Geologist - Assistant</b>	<b>5,000</b>	<b>12</b>	<b>60,000</b>
<b>Expense Item</b>	<b>Unit Cost</b>	<b>QTY</b>	<b>Amount</b>
Field/travel	\$10,000	3	\$30,000
Field vehicles	\$5,000	1	\$5,000
Geochemical samples (\$/sample)	\$50	100	\$5,000
Metallurgy/QA	\$15,000	1	\$15,000
Geologist (\$/mo) – Consulting	\$2,000	6	\$12,000
Field assistants (\$/mo)	\$1,500	6	\$9,000
Environmental audit/permits	\$5,000	1	\$5,000
Drill road/site preparation (Hours)	\$90	100	\$9,000
Road Maintenance	\$8,000	1	\$8,000
Gyro, drill hole survey	\$10,000	1	\$10,000
Drilling Mobilization/ Demobilization	\$5,000	4	\$20,000
Drilling (target footage, \$/ft),	\$150	20000	\$3,000,000
Geochem Assays (ICP & Fire Assay)	\$75	4000	\$300,000
Aerial photography	\$5,000	0	\$0
Surface access agreement	\$15,000	1	\$15,000
			<b>\$3,749,000</b>

### ***Marietta Property***

The Marietta Report dated April 7, 2011 was prepared at the request of CMX so as to conform to NI 43-101. In accordance with the requirements of NI 41-101, the issuer with mineral properties may satisfy the mineral property disclosure requirements by reproducing the summary from the technical report on the property, and incorporating the detailed disclosure in the technical report into the prospectus by reference. The summary from the report

reproduced below provides a summary of the physical setting, geology, recent exploration history, and mineral exploration potential of the Marietta Exploration Project and provides recommendations for exploration.

Following is information about the Marietta Property, which has been summarized or is a direct extract from the Marietta Report. Certain figures and tables from the Marietta Report are included in this Prospectus. The remaining figures and tables are contained in the Marietta Report (NI 43-101), which has been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Most of the information about the property and surrounding areas are given in U.S. terms and units although metric units are also used at times. References to currency is in U.S. dollars.

## **Summary**

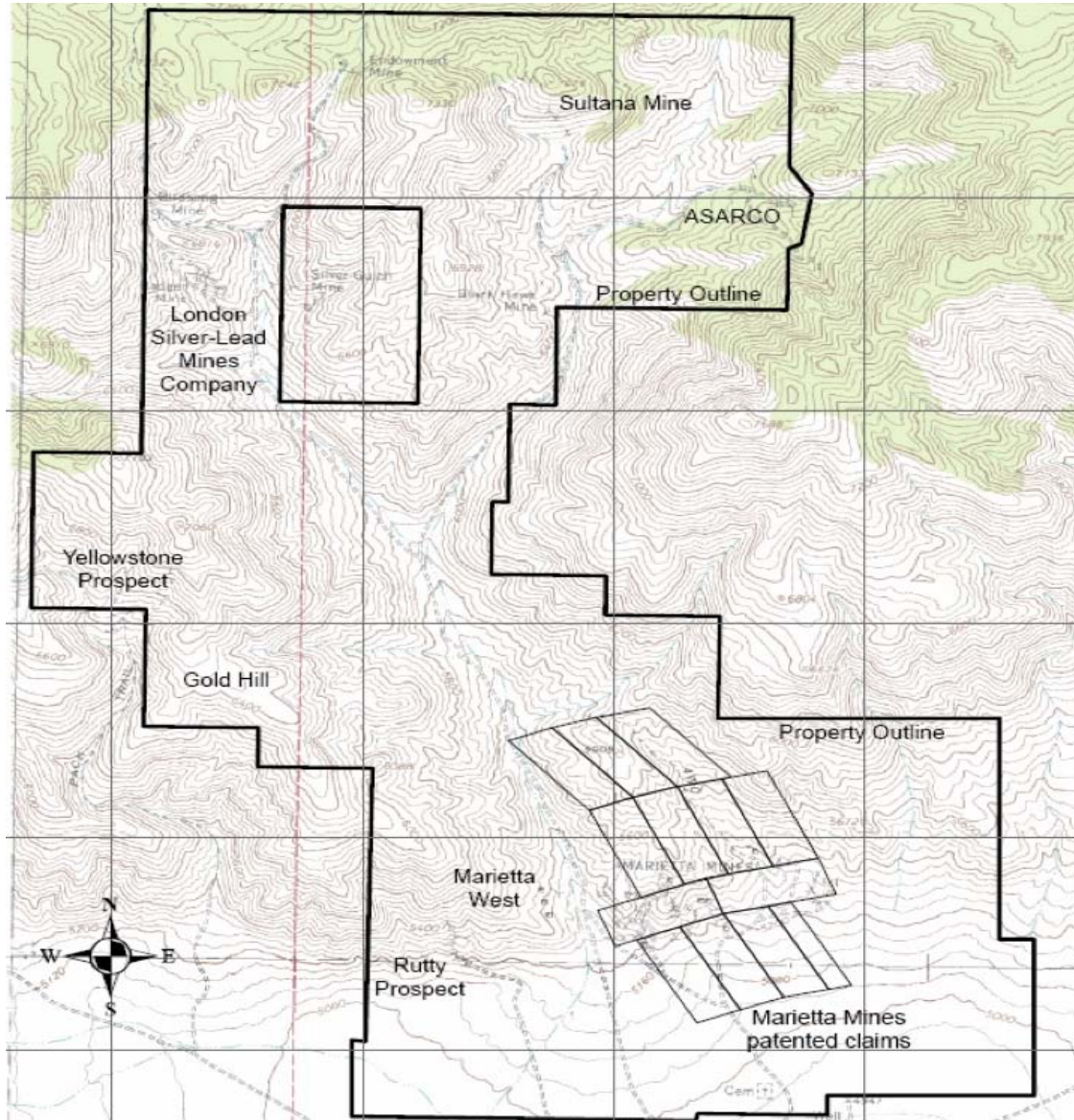
The Marietta Exploration Project has a large land package that encompasses an entire historical silver district consisting of 13 patented claims and 143 unpatented mining claims. It is situated in the Marietta Mining District, Mineral County, Nevada in the western part of the state near the margin of the Basin and Range province. The Marietta Mining District is located in the east-central Excelsior Mountains. The project site is centrally situated within the northwest-trending Walker Lane mineral belt of the western Basin and Range province, which hosts numerous gold and silver deposits including multiple porphyries.

Exploration by Azteca and its contractors in 2007 and 2008 has consisted of geological mapping, rock chip and soil sampling, a ground magnetic survey, an induced polarization and resistivity survey and pre-collar drilling. The Marietta Report provides a summary of exploration to date.

The data presented in the Marietta Report suggests the possible presence of a source for the hydrothermal veins in the area. This source may be a porphyry intrusion at depth, however, further work is needed to verify this interpretation.

The two magnetic highs north of the present survey coverage are compelling and require verification. Several magnetic survey profiles should be undertaken to cross both highs to provide verification and confirm locations. The profiles should be planned so as to mitigate problems related to the rugged terrain in the area. Finally, existing drill data and geologic information, if available, should be compiled and reviewed in light of the geophysical results. The sulfides interpreted along the major northwest structure may be of interest. Certainly, drill holes could be readily located to test the various chargeability anomalies.

## Marietta Property Map



## Budget

The Marietta Exploration Project is a 100%-funded venture by CMX. The Marietta Project plan will focus on new diamond drilling from existing drill pads (aforementioned pre-collar locations) with those sites being targeted by existing and new geophysical testing (magnetic and induced polarization), surface sampling and geologic modeling of the Marietta Property. The exploration plan is divided into two phases, Phase 1 and Phase 2.

Phase 1 will consist of geological analysis and data recovery of existing geological/geophysical data, development of an integrated 3-D geologic model from existing data and through execution on new magnetic and induced polarization geophysical testing. Work will also include exploration, geologic data analysis and drill hole targeting on the patented property. Drilling will include approximately three drill holes (1,500 – 2,500 ft. each maximum estimated) on the Marietta Property representing 5,000 ft. of initial drilling targeting potential deeper porphyry and upper vein targets. The drilling and assaying and initial geological work will be approximately a five month effort.

Phase 2 (following successful completion of Phase 1) proposes to drill eight to ten additional holes, representing 20,000 feet of additional in-field exploration drilling.

Tables 3 and 4 illustrate the proposed program budgets for the project designed to reach the objectives outlined above.

Table 3 - Proposed Marietta Exploration Project budget – Phase 1. All amounts in U.S. dollars.

<b>Phase 1: 5 Months</b>			
<b>Exploration Office</b>	<b>\$/mo</b>	<b># Months</b>	<b>Total \$</b>
<b>Geo Project Manager</b>	<b>12,500</b>	<b>5</b>	<b>62,500</b>
<b>Geologist (\$/mo)</b>	<b>8,000</b>	<b>5</b>	<b>40,000</b>
<b>Geologist - Assistant</b>	<b>4,000</b>	<b>5</b>	<b>20,000</b>
<b>Expense Item</b>	<b>Unit Cost</b>	<b>QTY</b>	<b>Amount</b>
Field/travel	\$10,000	1	\$10,000
Field vehicles	\$5,000	1	\$5,000
Geochemical samples (\$/sample)	\$50	100	\$5,000
Geophysics - IP (Induced polarization)	\$80,000	1	\$80,000
Geophysics - IP Magnetics	\$70,000	1	\$70,000
3-D Geological modeling	\$25,000	1	\$25,000
Geologist (\$/mo) - Consulting	\$10,000	2	\$20,000
Field assistants (\$/mo)	\$3,000	2.5	\$7,500
Environmental audit/permits	\$5,000	1	\$5,000
Drill road/site preparation (Hours)	\$90	100	\$9,000
Road Maintenance	\$4,500	1	\$4,500
Gyro, drill hole survey	\$10,000	1	\$10,000
Drilling Mobilization/ Demobilization	\$5,000	2	\$10,000
Drilling (target footage, \$/ft),	\$100	5000	\$500,000
Core Prep, logging, split & sampling	\$5	5000	\$25,000
Geochem Assays (ICP & Fire Assay)	\$75	1000	\$75,000
Aerial photography & survey	\$5,000	1	\$5,000
Surface access agreement	\$5,000	1	\$5,000
			<b>\$993,500</b>

Table 4 - Proposed Marietta Exploration Project budget draft – Phase 2. All amounts in U.S. dollars.

<b>Phase 2: 12 Months</b>			
<b>Exploration Office</b>	<b>\$/mo</b>	<b># Months</b>	<b>Total \$</b>
<b>Geo Project Manager</b>	<b>12,500</b>	<b>12</b>	<b>150,000</b>
<b>Geologist (\$/mo)</b>	<b>8,000</b>	<b>12</b>	<b>96,000</b>
<b>Geologist - Assistant</b>	<b>5,000</b>	<b>12</b>	<b>60,000</b>
<b>Expense Item</b>	<b>Unit Cost</b>	<b>QTY</b>	<b>Amount</b>
Field/travel	\$10,000	3	\$30,000
Field vehicles	\$5,000	1	\$5,000
Geochemical samples (\$/sample)	\$50	100	\$5,000
Metallurgy/QA	\$15,000	1	\$15,000
Geologist (\$/mo) - Consulting	\$5,000	6	\$30,000
Field assistants (\$/mo)	\$5,000	6	\$30,000
Environmental audit/permits	\$5,000	1	\$5,000
Drill road/site preparation (Hours)	\$90	100	\$9,000
Road Maintenance	\$15,000	1	\$15,000
Gyro, drill hole survey	\$25,000	1	\$25,000
Drilling Mobilization/ Demobilization	\$5,000	4	\$20,000
Drilling (target footage, \$/ft),	\$100	20000	\$2,000,000
Core Prep, logging, split & sampling	\$5	20000	\$100,000
Geochem Assays (ICP & Fire Assay)	\$75	4000	\$300,000
Surface access agreement	\$5,000	1	\$5,000
			<b>\$2,900,000</b>

### DIRECTORS AND OFFICERS

The Board of Directors of CMX consists of Jan Alston, Bruce Murray and Robert Russell. Additionally, the following persons have been appointed officers of CMX: Jan Alston as President and Chief Executive Officer, Randal Squires as Chief Financial Officer.

The following are the names, municipalities of residence, shareholdings and principal occupations within the previous five years of the directors and officers of CMX, and their principal position with CMX.

<b>Name and Municipality of Residence</b>	<b>Position Presently Held</b>	<b>Director Since</b>	<b>Number of Common Shares Beneficially Owned Directly or Indirectly as at the Date Hereof</b>	<b>Number of Common Shares Beneficially Owned Directly or Indirectly after the Offering <sup>(3)(4)(4)</sup></b>	<b>Principal Occupation for past 5 years</b>
Jan Alston, <sup>(1)</sup> Calgary, Alberta, Canada	Director, CEO and President	March 31, 1989	608,125 (2.6%)	608,125 (1.4%)	Independent businessman; From 2005 to 2006 - CEO and Director of Tenery Ltd., a TSX-listed oil and gas exploration company.
Bruce J. Murray <sup>(1)</sup> Calgary, Alberta, Canada	Director	Oct 30, 1989	481,625 (2.1%)	481,625 (1.1%)	Independent businessman; President of Zorzal Incorporated since 2007. Chairman and CEO of Passport Energy Ltd. since February 2010.

Name and Municipality of Residence	Position Presently Held	Director Since	Number of Common Shares Beneficially Owned Directly or Indirectly as at the Date Hereof	Number of Common Shares Beneficially Owned Directly or Indirectly after the Offering <sup>(3)(4)(5)</sup>	Principal Occupation for past 5 years
Robert Russell <sup>(1)</sup> Spokane, Washington, USA	Director	January 28, 2011	1,500,000 (6.4%)	1,500,000 (3.5%)	President and CEO of Idaho General Mines Inc. from 2000 to 2006 and Chairman of General Moly Inc. during 2007; Chairman of Russell Mining and Minerals, Inc. and President and Managing Director of Russell Associates E&T LLC. President and CEO of Josephine Mining Corp.
Randal Squires, Novato, California, USA	CFO	January 28, 2011	1,500,000 (6.4%)	1,500,000 (3.5%)	President of Psi3g, Inc. since January 2010. The Chief Financial Officer of Azteca since December 2006 and the Controller and President of PSI Management Team, Inc. from 1990 until December 2009.

Notes:

(1) Members of the audit committee.

(2) The Corporation has no other standing committees at this time.

(3) Assuming the maximum 20,000,000 Units are purchases pursuant to the Offering.

(4) Before giving effect to the exercise of the Agent's Option and the Options to be granted to directors and officers of the Corporation after Closing of the Offering.

(5) Assuming no Units are purchased by the above Shareholders under this Prospectus.

The following is a brief description of the background of the proposed directors and key management of CMX:

***Jan Alston, age 56, President & CEO, Director***

Born in Calgary, Alberta, Mr. Alston attended the University of Alberta where he obtained a BA in 1978 and an LL.B. in 1981. Mr. Alston has been involved in public junior natural resource companies for over 25 years. He practiced law in the 1980's in the areas of business law, oil and gas, securities regulation and corporate finance. Mr. Alston has been a member of the Law Society of Alberta from 1982 to present. He led the management team as President, Chief Executive Officer, director and co-founder of Purcell Energy Ltd. ("**Purcell**"), an oil and gas exploration and production company listed on the TSX. After 16 years, Purcell in 2005 sold two-thirds of its oil and gas assets for more than \$150 million and spun out Tenergy Ltd. From November 2005, Mr. Alston was Chief Executive Officer and director of Tenergy Ltd., a TSX listed natural gas exploration and production company, until its sale in March 2006 for \$92 million. Mr. Alston is a director of Azteca Gold Corp., a TSXV listed mining exploration company.

***Bruce Murray, age 54, Director***

Born in Calgary, Alberta, Mr. Murray attended the University of Calgary where he obtained a B.Comm in 1979. Mr. Murray has over 30 years of extensive experience in the oil and gas industry in the areas of exploration and production negotiations, acquisitions, gas marketing, general oil and gas operations and management. From 1980 to 1987, Mr. Murray was employed by BP Resources Canada (now Talisman Energy Inc.) where in 1985 he was appointed District Landman, Negotiations, for the Canadian frontier and western Canadian Basin producing properties. Mr. Murray was a co-founder, director and Chief Operating Officer of Purcell and was responsible for managing the exploration and production operations of the company. From November 2005 Mr. Murray was President and director of Tenergy Ltd. until its sale in March 2006 for \$92 million. He is President of Zorzal Incorporated, a Canadian-owned winery in Mendoza, Argentina. Mr. Murray is Chairman, Chief Executive Officer and a director of Passport Energy Ltd.

***Robert Russell, age 77, Director***

Robert Russell has been a professional engineer in the U.S. since 1983. Mr. Russell graduated from the University of Idaho in 1956 with a B.Sc in Mining and Geological. He has more than four decades of experience in senior

management, operating management, mine engineering/industrial engineering, corporate planning, mine development, exploration, and environmental services. In the last two decades, he managed all aspects of two of the world's largest gold/copper mining and processing operations in Indonesia and Zambia. Mr. Russell co-founded Idaho General Mines Inc., now called General Moly Inc. Recently, he has had a principal role in advancing the development of the 800 million tonne King-king Copper/Gold deposit in the Philippines through the acquisition of Russell Mining and Metals, Inc. by Ratel Gold Ltd., a TSX listed mining company. Since the acquisition, Mr. Russell has been appointed a director and chairman of Ratel Gold Ltd. (now known as St. Augustine Gold & Copper Ltd.). Mr. Russell's numerous engagements include Freeport McMoRan Cooper & Gold Inc., Fluor Corporation and Metals, Zambia Consolidated Copper Mines Ltd., Exxon Minerals Company, Sunshine Mining & Refining, Inc., and Bunker Hill Mining Company. Mr. Russell has been a director of Mines Management, Inc. since 1999. He was President and Chief Executive Officer of Idaho General Mines, Inc. from 2000 to 2006 and Chairman of General Moly Inc. during 2007. Both General Moly Inc. and Idaho General Mines, Inc. were traded on the AMEX market. Mr. Russell is Chairman of Russell Mining and Minerals, Inc. He is also President and Managing Director of Russell Associates E&T LLC and Chief Executive Officer of Josephine Mining Corp.

***Randal Squires age 44, Chief Financial Officer***

Randy Squires is President of a commercial construction company in California. During his 21 year tenure he has held positions including Controller and Vice President of Business Development and Strategy. As Controller his responsibilities included budgeting, cash management, financial statement preparation and analysis, audit preparation, and bank, bonding and insurance relationship management. Mr. Squires has also held the position of Chief Financial Officer for Azteca for the past five years. He received his M.B.A., Finance from Golden Gate University in 1995 and B.Sc. in Business Administration from Oregon State University in 1989.

It is expected that, initially, Mr. Alston will devote up to 80% his time and Mr. Squires will devote up to 20% of his time, to the affairs of the Corporation. The remaining directors will devote such time and expertise as is required by the Corporation.

**CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

Except as described below, no director or executive officer of CMX has, within the ten years prior to the date of this Prospectus been a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity: (a) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days or (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the company access to an exemption under securities legislation for a period of more than 30 consecutive days.

***Jan Alston***

Mr. Alston was a director of CMX when it became subject to cease trade orders issued in June 2004 by the Securities Authorities for failing to file certain continuous disclosure documents after the Corporation had taken steps to cease operations. The Orders were revoked in April 2009. See "Business of the Corporation - History".

Mr. Alston was a director of Visionwall Inc., a TSXV listed company, when it became subject to a cease trade order and trading halt and suspension in June 2004 for failing to file financial statements, as yet unrevoked.

***Bruce Murray***

Mr. Murray was a director of CMX when it became subject to cease trade orders issued in June 2004 by the Securities Authorities for failing to file certain continuous disclosure documents after the Corporation had taken steps to cease operations. The Orders were revoked in April 2009. See "Business of the Corporation - History".

Mr. Murray is a director of Footsource Inc., a TSXV listed company subject to a cease trade order and trading halt and suspension in 2002 for failing to file financial statements, as yet unrevoked.

## **Bankruptcies**

Except as described below, no director or executive officer of CMX, within the ten years prior to the date of this Prospectus been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### *Jan Alston*

Mr. Alston was a director of Point North Energy Ltd. ("**Point North**"), which was granted protection under the *Companies' Creditors Arrangement Act* (Canada) on September 27, 2006, and its Plan of Arrangement was approved by creditors on August 27, 2007 allowing the company to emerge from protection on October 5, 2007.

Mr. Alston was a director of Visionwall Solutions Inc., a private company, which was voluntarily assigned into bankruptcy on January 14, 2011 and its assets were subsequently sold.

Mr. Alston was a director of Azteca when it became subject to a temporary trading halt by the TSXV on August 10, 2009 pending release of a clarification news release. The trading halt was lifted and trading resumed on September 15, 2009.

### *Bruce Murray*

Mr. Murray was Chief Operating Officer and Director of the predecessor of Point North. Point North was granted protection under the *Companies Creditors Arrangement Act* (Canada) on September 27, 2006, and its Plan of Arrangement was approved by creditors on August 27, 2007 allowing the company to emerge from protection on October 5, 2007.

### *Randal Squires*

Mr. Squires was the Chief Financial Officer of Azteca when it became subject to a temporary trading halt by the TSXV on August 10, 2009 pending release of a clarification news release. The trading halt was lifted and trading resumed on September 15, 2009.

## **Personal Bankruptcies**

No director or executive officer of CMX within the past ten years, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

## **Penalties and Sanction**

During the ten years preceding the date of this Prospectus, no proposed director, officer or promoter of CMX, nor any securityholder anticipated to hold sufficient number of securities of CMX to affect materially the control of CMX has, to the knowledge of CMX, been subject to any (i) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would likely be considered important to a reasonable securityholder making a decision about the Offering.

## **CONFLICTS OF INTEREST**

The directors and officers of the Corporation are engaged in, and will continue to be engaged in, other activities in the industries in which the Corporation operates and, as a result of these and other activities, the directors and officers of the Corporation may become subject to conflicts of interest. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in



accordance with the provisions of the ABCA. As at the date hereof and other than as described herein, the Corporation is not aware of any existing or potential material conflicts of interest between the Corporation and a current or proposed director or officer of the Corporation.

### Other Reporting Issuer and Public Corporation Experience

The following table sets out details in respect of the directors and executive officers of CMX that are, or have been within the five years prior to the date hereof, directors, executive officers or promoters of other reporting issuers:

Name	Corporation	Jurisdiction	Trading Market	Position	Term
Jan Alston	Azteca Gold Corp.	Alberta	TSXV	Director	Dec. 2008 to present
	Tenergy Ltd.	Alberta	TSX	Director, CEO	Nov. 2005 to Mar. 2006
	Point North Energy Ltd. <sup>(1)</sup>	Alberta	TSX	Director	Nov. 2005 to Oct. 2007
	Visionwall Inc.	Alberta	TSXV/NEX	Director	Jan. 1999 to Nov. 2010
Bruce Murray	Footsource Inc. <sup>(2)</sup>	Alberta	TSXV/NEX	Director	Oct. 2000 to present
	Tenergy Ltd.	Alberta	TSX	Director, President	Nov. 2005 to Mar. 2006
	Passport Energy Ltd.	Alberta	CNSX	Director, CEO	Feb. 2010 to present
Robert Russell	Idaho General Mines, Inc.	Idaho	AMEX	President and CEO	Jan. 2000 to Oct. 2006
	General Moly Inc. (formerly Idaho General Mines, Inc.)	Idaho	AMEX	Chairman	Oct. 2006 to Nov. 2007
	St. Augustine Gold & Copper Ltd.	British Virgin Islands	TSX	Chairman	Jan. 2010 to present
	Josephine Mining Corp.	British Columbia	TSXV	Director and CEO	Mar. 2010 to present
Randal Squires	Azteca Gold Corp.	Alberta	TSXV	CFO	Dec. 2006 to present

Notes:

(1) Delisted from the TSX in February 2007.

(2) Delisted from the NEX in December 2006 for failing to maintain NEX requirements.

### SHAREHOLDINGS OF DIRECTORS AND OFFICERS

The number and percentage of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers as a group is: 4,089,750 (17.5%). Following the Offering, the number and percentage of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers as a group for the minimum and maximum Offering is 4,089,750 (11.2%) and 4,089,750 (9.4%), respectively.

### EXECUTIVE COMPENSATION

#### Compensation Discussion and Analysis

##### Introduction

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives and processes regarding compensation for the Named Executive Officers of the Corporation ("NEOs"). It explains how decisions regarding executive compensation are made by the independent directors of the Board of Directors and the reasoning behind these decisions.

As at the date hereof, the Corporation had the following two NEOs:

Jan Alston	Chief Executive Officer ("CEO")
Randal Squires	Chief Financial Officer ("CFO")

## ***Objectives of Any Compensation Program or Strategy***

### *Compensation Philosophy and Objectives of Compensation Programs*

The Board determines the compensation to be paid or awarded to the NEOs of the Corporation. The Board seeks to encourage advancement of exploration projects and growth in reserves, in order to enhance Shareholder value. To achieve these objectives, the Corporation believes it is critical to create and maintain compensation programs that attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives and that align the interest of the officers of the Corporation with those of the Shareholders to provide incentive to the officers to enhance shareholder value. However, as a junior exploration company the Corporation is constrained by the amount of capital it has available to it. In 2009 and 2010, the Corporation sought new business opportunities, including a business combination in 2009 that ultimately did not proceed. As a result, compensation for the CEO was based on time spent pursuing and negotiating potential new business transactions, and for maintaining the Corporation's regulatory filings. Similarly, compensation for the CFO was based on time spent preparing financial statements and the requisite regulatory filings. At the time the Corporation is fully activated and becomes an operating exploration company, compensation for the NEOs will consist of four elements: contract rate or base salary, bonus, long-term equity incentives and benefits. The following provides an overview of the first three elements of compensation.

<b>Compensation Element</b>	<b>Type of Compensation</b>	<b>Name of Plan</b>	<b>Performance Period</b>	<b>Form of Payment</b>
Contract Rate/Base Salary <sup>(1)</sup>	Hourly rate/Annual - Fixed Pay	Salary Program	1 year	Cash
Bonus	Annual - Variable Pay	Employee Bonus Plan	1 year	Cash or shares
Long-Term Equity Incentives	Long Term - Variable Pay	Option Plan	up to 5 years	shares

Note:

(1) In the early stage of the development of the Corporation the CEO will be paid a contract rate for time spent on CMX business.

### *How the Corporation Determines the Amount for Each Element*

As indicated above, executive compensation is the responsibility of the Board.

During the fiscal year ended December 31, 2010, the Board had no formal meetings dedicated to compensation because of the relatively inactive state of the Corporation.

The Board uses all the data which, at its reasonable discretion, it believes to be relevant, to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size of the Corporation and sufficient to retain personnel it considers essential to the success of the Corporation. In reviewing comparative data, the Board does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined point. In the Board's view, external and third-party survey data provides an insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. This is primarily due to the differences in the size of comparable companies and the lack of sufficient appropriate matches to provide statistical relevance. Additionally, compensation payable to the NEOs for similarly placed junior exploration entities is frequently nil or nominal, thus such comparatives are typically of little value.

In the process used by the Board to establish and adjust executive compensation levels, third-party survey data may be considered, along with an assessment of individual performance, experience and potential to contribute to operations and growth of the Corporation. The Board can exercise both positive and negative discretion in relation to the compensation awards and its allocation between cash and non-cash awards.

The CEO of the Corporation makes recommendations to the Board regarding total compensation to the officers of the Corporation (excluding the CEO), including contract rate or base salaries, bonuses, and long-term equity incentive grants. These recommendations are considered by the Board against information derived from publicly available information and adjusted, as applicable, for inflation and anticipated increases in the current year.

***Contract Rate/Salary.*** The contract rate or base salary represents the fixed element of the NEOs cash compensation. The contract rate or base salary reflects economic considerations for each individual's level of responsibility,

expertise, skills, knowledge and performance. The contract rate or base salary for the NEOs of the Corporation are reviewed annually by the Board. No base salary amounts were paid to the NEOs during the 2010 reporting year.

**Annual Cash Bonus Awards.** The Board has the authority, based upon management recommendations, to award discretionary annual bonuses to the executive officers. The annual discretionary bonuses are intended to compensate officers for achieving superior financial and operational goals of the Corporation. The discretionary annual bonus may be paid in cash or shares in an amount reviewed with management and recommended by the Board and approved by the Board. The actual amount of bonus is determined following a review of each executive's individual performance.

Bonuses awarded by the Board are intended to be competitive with the market while rewarding senior executives for meeting qualitative goals, including delivering near-term financial and operating results, developing long-term growth prospects, improving the efficiency and effectiveness of business operations and building a culture of teamwork focused on creating long-term shareholder value. Consistent with a flexible nature of the annual bonus program, the Board does not assign any specific weight to any particular performance goal nor is any specific weight assigned to the performance goals in the aggregate. The Board considers not only the Corporation's performance during the year with respect to the qualitative goals, but also with respect to market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstances. In sum, the Board analyzes the total mix of available information on a qualitative, rather than quantitative, basis in making bonus determinations. No bonuses were awarded to the NEOs during the 2010 reporting period.

**Long-Term Incentive Programs.** The allocation of Options and the terms assigned to those Options are an integral component of the compensation package of the senior officers of the Corporation. The Corporation's Option Plan is in place for the purpose of providing Options to the officers. The Board believes that the grant of Options to the executive officers and share ownership by such officers serves to motivate achievement of the Corporation's long-term strategic objectives and the result will benefit all Shareholders. Options may be awarded to employees of the Corporation by the Board based upon the recommendation of the CEO, who bases his decision upon the level of responsibility and contribution of the individuals toward the Corporation's goals and objectives. Also, the Board considers the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Options and the size of such grants. The granting of these specific Options is reviewed by the Board for final recommendation to the Board for approval.

The following table discloses, for the period indicated, total compensation received by the following executive officers: (i) those who acted as the Corporation's Chief Executive Officer and Chief Financial Officer.

### Summary Compensation Table

Name and Principal Position	Fiscal Year Ended Dec 31	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation		All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)		
Jan Alston CEO	2008	45,420 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	45,420
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	46,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	46,000
Glen Alston CFO <sup>(2)</sup>	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2009	2,520	Nil	Nil	Nil	Nil	Nil	2,520
	2010	21,690	Nil	Nil	Nil	Nil	Nil	21,690

Notes:

(1) \$40,000 of the amount paid in 2010 and \$45,420 of the amount paid in 2008 as a management fee was to a private company controlled by Jan Alston's spouse.

(2) Glen Alston resigned as CFO on January 28, 2011 and Randal Squires was appointed CFO on January 28, 2011.

## Director Compensation

The Corporation does not currently provide any compensation to directors of the Corporation.

## STOCK OPTION PLAN

Pursuant to the Option Plan, the Corporation may grant Options to directors, officers, employees and consultants of the Corporation or any subsidiary thereof. The total number of Common Shares issuable pursuant to the Option Plan is up to a maximum of 10% of the issued and outstanding Common Shares of the Corporation at any given time. The exercise price of each Option is to be determined in the discretion of the Board of Directors at the time of the granting of the Option, as is the term and vesting policies, provided that the exercise price shall not be lower than the market price or such discount from the market price as may be permitted by the stock exchange on which the Common Shares are listed and provided that no Option shall have a term exceeding five years (or such longer period as is permitted by the stock exchange on which the Common Shares are listed). There may not be issued to insiders within a one year period, a number of Common Shares exceeding 10% of the outstanding issue and no one eligible optionee can receive Options entitling the eligible optionee to purchase more than 5% of the total Common Shares. Finally, there may not be issued to any one insider and such insider's associates, within a one year period, a number of Common Shares of the Corporation exceeding 5% of the issued and outstanding Common Shares.

As of the date hereof, there were no Options outstanding under the Option Plan.

The Corporation intends to issue the following Options at Closing and such Options will expire five years thereafter:

<u>Name</u>	<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Jan Alston	1,400,000	\$0.20	5 years from Closing Date
Randal Squires	700,000	\$0.20	5 years from Closing Date
Robert Russell	500,000	\$0.20	5 years from Closing Date
Bruce Murray	500,000	\$0.20	5 years from Closing Date
<b>TOTAL</b>	<b>3,100,000</b>		

A third of these options will vest immediately, a third will vest on the first anniversary of the grant date, and the remaining options shall vest on the second anniversary of the grant date.

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

As at the date of this Prospectus, there is not and has not been since the beginning of the Corporation's last financial year, any indebtedness owing to the Corporation by the directors, executive officers of the Corporation, or any of their associates or affiliates.

## AUDIT COMMITTEE

### Audit Committee Disclosure

The Corporation's audit committee is composed of three directors, two of whom may be considered to be independent, and all of whom are financially literate (as determined under Multilateral Instrument 52-110 Audit Committees). The charter of the Corporation's audit committee is set out in Appendix "I" to the Information Circular.

As a company applying for listing on the TSXV, the Corporation is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of Multilateral Instrument 52-110 Audit Committees, and is relying on the exception contained in section 6.1 of that instrument.

## Pre-Authorization of Non-Audit Services

The audit committee has not pre-authorized any amount for non-audit services from the Corporation's auditors.

## Fees Charged by External Auditors

The following table sets out the aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for the category of fees described:

	<u>2010</u>	<u>2009</u>
Audit Fees	36,367	29,908
Audit-Related Fees	nil	nil
Tax Fees	nil	nil
All Other Fees	nil	nil
Total	<u>36,367</u>	<u>29,908</u>

## CORPORATE GOVERNANCE

The statement of the Corporation's corporate governance practices is set out in Appendix "II" to the Information Circular.

## CAPITALIZATION

The following table sets forth the capitalization of the Corporation at June 30, 2011, before giving effect to the Offering, and as of the date of the Prospectus, both before and after giving effect to the Offering.

<u>Authorized Capital</u>	<u>As at June 30, 2011 before giving effect to the Offering (unaudited)</u>	<u>As at June 30, 2011 after giving effect to the Minimum Offering (unaudited)</u>	<u>As at June 30, 2011 after giving effect to the Maximum Offering (unaudited)</u>
Long-term debt	NIL	NIL	NIL
Common Shares (unlimited)	\$3,152,319 (23,352,274 shares)	\$5,490,319 (36,602,274 shares) <sup>(1)</sup>	\$6,732,319 (43,352,274 shares) <sup>(1)</sup>
Preferred Shares (unlimited)	NIL	NIL	NIL

Note:

(1) Assumes that none of the Warrants exercisable at \$0.35 that comprise part of the Units offered pursuant to the Offering, Agent's Options or warrants issued prior to the Offering have been exercised.

## USE OF PROCEEDS

The Corporation currently has no revenues from its operations and may use the proceeds of the Offering to fund any negative operating cash flow.

Following the completion of the Offering, the Corporation will have funds available to it as follows:

	<u>Maximum Offering</u>	<u>Minimum Offering</u>
Working Capital Deficiency as at June 30, 2011 (unaudited)	(\$261,429)	(\$261,429)
Gross Proceeds of Offering	\$4,000,000	\$2,650,000
LESS Agent's Fee	\$320,000	\$212,000
LESS Offering Expenses	\$100,000	\$100,000
<b>Net proceeds to the Corporation</b>	<b><u>\$3,318,571</u></b>	<b><u>\$2,076,571</u></b>

The Corporation intends to use the net proceeds of the Offering over the next 12 months as described in the table below. However, there may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. The actual amount that the Corporation spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified below, and will depend on a number of factors, including those referred to under "Risk Factors". At this time the Corporation does not intend to use the proceeds of the distribution to fund anticipated negative cash flow from operating activities, except to the extent described below.

	<b>Maximum Offering</b>	<b>Minimum Offering</b>
<b>Clayton Phase 1</b> <sup>(1)</sup>	\$ 996,900	\$ 996,500
<b>Marietta Phase 1</b> <sup>(2)</sup>	1,088,500	449,500
<b>Other</b>		
Administrative and office	150,000	150,000
Professional fees	80,000	80,000
Management fees	205,000	205,000
Corporate and shareholder communications	40,000	40,000
Travel	40,000	40,000
Working capital	718,171	115,571
<b>TOTAL</b>	<b>\$ 3,318,571</b>	<b>\$ 2,076,571</b>

Notes:

- (1) See "Business of the Corporation - Clayton Property".  
(2) See "Business of the Corporation - Marietta Property".

### **Business Objectives and Milestones**

The Corporation's primary objective following completion of the Offering is to advance exploration on its two properties, the Clayton Property and the Marietta Property. This will include Phase 1 exploration programs on each property involving geological compilation, mapping and all previous work to common scale, establishing cap facilities, ATV and limited helicopter support, re-establishing a grid and continued environmental baseline studies.

Provided that the Offering is successfully closed, and equipment and manpower are available, the Corporation anticipates that this will be completed by April, 2012 and assuming the results from the exploration programs warrant it, Phase 2 programs will be complete by August, 2013, subject to receiving additional financing.

### **DIVIDEND POLICY**

Other than as stated below, the Corporation has neither declared nor paid any dividends on the Common Shares since its incorporation. The payment of dividends in the future will depend on the earnings and financial condition of the Corporation and such other factors as the Board of Directors may consider appropriate. The Corporation does not foresee paying dividends in the near future.

In 2006, the Corporation sold certain investments and declared a cash dividend payable to Shareholders of record on September 30, 2006. Some Shareholders failed to keep their addresses up to date on the shareholders' record and consequently, the Corporation was unable to determine the whereabouts of these Shareholders. The aggregate amount of dividends payable to these Shareholders is \$143,560. The last time missing Shareholders were located by the Corporation was in 2007. It is management's intention to pay the cash dividend to missing Shareholders who come forward and establish their share ownership.

## MANAGEMENT'S DISCUSSION AND ANALYSIS AND SELECTED FINANCIAL INFORMATION

The Annual MD&A and Interim MD&A has been incorporated by reference into this Prospectus and can be viewed at [www.sedar.com](http://www.sedar.com).

### CAPITAL STRUCTURE OF THE CORPORATION

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As of the date of this Prospectus, 23,352,274 Common Shares were issued and outstanding as fully paid and non-assessable Common Shares. There are no preferred shares issued and outstanding.

The following table sets forth the securities exercisable or exchangeable for Common Shares of the Corporation at June 30, 2011, both before and after giving effect to the Offering

<b>Warrants outstanding as at June 30, 2011</b>		<b>15,731,740</b>
<hr/>		
<b>Warrants outstanding and exercisable taking into effect of offering</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
2,500,000	\$ 0.25	May 28, 2013
4,800,000	0.15	December 16, 2012
1,100,000	0.15	January 13, 2013
1,010,000	0.15	March 8, 2013
451,740	0.15	March 25, 2013
2,870,000	0.15	May 6, 2013
3,000,000	0.10	Two years from commencement of trading
20,000,000 <sup>(1)</sup>	0.35	Two years from close of Offering
<b>35,731,740</b>	<b>\$0.27</b>	

Notes:

(1) Assuming the maximum 20,000,000 Units are purchased pursuant to the Offering.

### DESCRIPTION OF SECURITIES TO BE DISTRIBUTED

#### Common Shares

Shareholders are entitled to receive notice of and to attend and vote at all meetings of Shareholders of the Corporation, except meetings of holders of another class of shares. Each Common Share shall entitle the holder thereof to one vote. Subject to the preferences accorded to holders of any other shares of the Corporation ranking senior to the Common Shares, Shareholders are entitled to dividends if, as and when declared by the Board of Directors. In the event of the liquidation, dissolution or winding up of the Corporation, the holders of Common Shares, subject to the preferences accorded to any other shares of the Corporation ranking senior to the Common Shares, are entitled to share equally, share for share, in any remaining assets of the Corporation.

#### Warrants

The Warrants qualified for distribution under this Prospectus will be issued under the terms of the Warrant Indenture to be entered into between the Corporation and Olympia Trust Company as Warrant Trustee on or before the Closing of the Offering. The Corporation will appoint the principal transfer office of the Warrant Trustee in Calgary as the location at which the Warrants may be surrendered for exercise or exchange. Pursuant to the terms of the Warrant Indenture, the Corporation may, subject to applicable law, purchase in the market, by private contract or otherwise, any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

The Warrant Indenture will provide that the Expiry Date of the Warrants may be accelerated if, on any 20 consecutive trading days occurring following the Closing, the closing price of the Common Shares on the TSXV (or the closing bid, if no sales were reported on a trading day) is greater than \$0.70, the Expiry Date may be accelerated, at the sole discretion of the Corporation, to the 30th day after the date on which the Corporation gives notice to the Subscribers in accordance with the Warrant Indenture of such acceleration.

The Warrant Indenture will provide for adjustment in the number of Common Shares issuable upon the exercise of the Warrants and/or the exercise price per Common Share upon the occurrence of certain events, including:

- (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares at no additional cost to all or substantially all of the holders of the Common Shares by way of a stock dividend or other distribution (other than a "dividend paid in the ordinary course", as defined in the Warrant Indenture);
- (ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (iii) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;
- (iv) the issuance to all or substantially all of the holders of the Common Shares of rights, Options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; and
- (v) the issuance or distribution to all or substantially all of the holders of the Common Shares of securities of the Corporation including rights, Options or warrants to acquire shares of any class of securities exchangeable or convertible into any such shares or property or assets and including evidences of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events:

- (i) reclassification of the Common Shares (other than as described above);
- (ii) consolidations, amalgamations, arrangements or mergers of the Corporation with or into any other corporation or other entity (other than consolidations, amalgamations, arrangements or mergers which do not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares); or
- (iii) the transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or the number of Common Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the prevailing exercise price or a change in the number of Common Shares purchasable upon exercise by at least one hundredth of a Common Share, as the case may be.

The Corporation will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to each registered holder of Warrants (each, a "**Warrantholder**") of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Common Shares issuable upon exercise of the Warrants, at least 15 Business Days prior to the record date or effective date, as the case may be, of such event.

No fractional Common Shares will be issuable upon the exercise of any Warrants, but cash will be paid in lieu of any fractional share entitlement based on the "current market value", as defined in the Warrant Indenture, of the Common Shares, provided that the Corporation shall not be required to make any such cash payment that is less than \$10.00. Warrantholders will not have any voting or pre-emptive rights or any other rights which a Shareholder would have.

From time to time, the Corporation and the Warrant Trustee, without the consent of the Warrantholders, may amend or supplement the Warrant Indenture for certain purposes, including correcting or rectifying any ambiguities, defects or inconsistencies or making any change that does not prejudice the rights of any Warrantholder. Any amendment or supplement to the Warrant Indenture that would prejudice the interests of the Warrantholders may only be made



by "extraordinary resolution", which is defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the Warrantholders at which there are Warrantholders present in person or represented by proxy representing at least 10% of the aggregate number of the then outstanding Warrants (unless such meeting is adjourned to a prescribed later date due to a lack of quorum, at which adjourned meeting the Warrantholders present in person or by proxy shall form a quorum) and passed by the affirmative vote of Warrantholders representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution, or (2) adopted by an instrument in writing signed by the Warrantholders representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants.

The Warrants and the Common Shares issuable upon exercise thereof have not been registered under the 1933 Act or the laws of any state of the U.S.. The Warrants may not be exercised in the U.S. or by or on behalf of a U.S. person (as defined in Regulation S under the 1933 Act) unless an exemption is available from the registration requirements of the 1933 Act and any applicable state securities laws and the holder has delivered an opinion of counsel satisfactory to the Corporation to such effect.

## DETAILS OF THE OFFERING

The Offering consists of a minimum of 13,250,000 Units and a maximum of 20,000,000 Units at a price of \$0.20 per Unit. See "Plan of Distribution".

## PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agent has agreed to act as, and has been appointed as, the exclusive agent of the Corporation to offer the Units for sale to the public on a commercially reasonable best efforts basis. The Offering Price was established by negotiation between the Agent and the Corporation. The Agent will be paid the Agent's Fee in the amount of 8% of the gross proceeds from the sale of the Units raised by the Agent and 2% of the gross proceeds from the sale of the Units raised by the Corporation, pursuant to the Offering. The Corporation will also grant Agent's Options to the Agent, entitling the Agent to purchase that number of Agent's Units equal to 10% of the number of Units sold by the Agents and 2% of the number of Units sold by the Corporation, pursuant to the Offering. The Agent's Options will be exercisable at an exercise price equal to the Offering Price for 24 months from the Closing Date. The Agent will also receive the Corporate Finance Fee. The Corporation will also pay the Agent's reasonable expenses, including legal fees. This Prospectus will qualify the Agent's Option issued to the Agent. This Prospectus also qualifies the distribution of the Warrants.

Under the terms of the Agency Agreement, the Agent may, at its discretion on the basis of its assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. Closing will occur not later than 90 days after a receipt for the final prospectus or not later than the expiration date of any extension thereof granted by the applicable regulatory authorities.

The Agent has agreed to use commercially reasonable best efforts to secure subscriptions for the Units offered pursuant to the Offering in the provinces of British Columbia, Alberta, Saskatchewan and Ontario. This Prospectus qualifies the distribution of the Units to the Subscribers in British Columbia, Alberta, Saskatchewan and Ontario. The Agent may, in connection with the Offering and in its sole discretion, retain one or more licensed dealers, brokers and investment dealers (referred to herein as the "**Selling Firms**") as sub-agents and may receive subscriptions for the Units from such Selling Firms. The Agent is not obligated to purchase any of the Units in connection with the Offering.

This Offering is not underwritten and is subject to the receipt by the Agent of subscriptions for the minimum Offering in the amount of \$2,650,000. In the event that subscriptions totalling \$2,650,000 are not received within 90 days following the issuance of the receipts for the final prospectus or such other date as the regulatory authorities may permit and to which the Corporation and the Agent may agree, then all of the subscription funds received will be promptly returned to the Subscribers by the Agent, without interest or deduction unless otherwise consented to by the Subscribers.

There is currently no public market for the Common Shares. The Corporation has applied to list its Common Shares on the TSXV. Listing of the Common Shares is subject to approval by the TSXV of the Corporation's listing application and fulfillment by the Corporation of all of the listing requirements.

As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on (i) the TSX; (ii) a U.S. Marketplace; or (iii) a marketplace outside of Canada and the U.S. of America.

### PRIOR SALES

In the 12 months preceding the date of this Prospectus, the Corporation has not issued any Common shares other than the following:

<u>Date</u>	<u>Price or Deemed Price per Security</u>	<u>Class of Security</u>	<u>Number of Securities</u>
December 16, 2010	\$0.10	Common Share	2,500,000
December 16, 2010 <sup>(1)</sup>	\$0.05	Common Share	4,800,000
December 29, 2010	\$0.10	Common Share	1,350,000
January 13, 2011 <sup>(2)</sup>	\$0.05	Common Share	1,100,000
March 8, 2011 <sup>(3)</sup>	\$0.05	Common Share	1,010,000
March 25, 2011 <sup>(4)</sup>	\$0.05	Common Share	1,349,020
May 5, 2011	\$0.05	Common Share	2,500,000
May 6, 2011 <sup>(5)</sup>	\$0.05	Common Share	2,870,000
			<b>17,479,020 Common Shares</b>

Notes:

- (1) In conjunction with the private placement 4,800,000 Common Share purchase warrants were issued exercisable for two years at a price of \$0.15 per share.
- (2) In conjunction with the private placement 1,100,000 Common Share purchase warrants were issued exercisable for two years at a price of \$0.15 per share.
- (3) In conjunction with the private placement 1,010,000 Common Share purchase warrants were issued exercisable for two years at a price of \$0.15 per share.
- (4) In conjunction with the private placement 451,740 Common Share purchase warrants were issued exercisable for two years at a price of \$0.15 per share.
- (5) In conjunction with the private placement 2,870,000 Common Share purchase warrants were issued exercisable for two years at a price of \$0.15 per share.

### ESCROWED SECURITIES

NP 46-201 requires that securities held by a "principal" of an issuer be held in escrow. A "principal" of an issuer is: (i) a person who acted as a promoter of the issuer; (ii) a director or senior officer of the issuer; (iii) a person holding more than 20% of the securities of the issuer both immediately before and immediately after the issuer's IPO; and (iv) a person carrying more than 10% of the securities who also has the right to appoint one or more directors or senior officers of the issuer. In addition, the TSXV may impose hold periods which apply where seed shares have been issued to non-principals prior to an initial public offering. The Escrowed Shareholders for the purposes of this Prospectus are the principals and those who have purchased securities for less than the Offering Price within 12 months preceding the date of this Prospectus.

In accordance with NP 46-201 and pursuant to the Escrow Agreement to be entered into among the Escrowed Shareholders, the Corporation and Olympia Trust Company (the "**Escrow Agent**"), and assuming no Common Shares offered hereunder are purchased by the Escrowed Shareholders, a total of 17,479,020 Common Shares and 13,231,740 common share purchase warrants will be deposited into escrow with the Escrow Agent on Closing of the Offering. Pursuant to the Escrow Agreement, the following table discloses the Escrowed Securities of the Corporation which will be held in escrow:

<u>Designation of class</u>	<u>Number of securities held in escrow or that are subject to a contractual restriction on transfer</u>	<u>Percentage of class (after giving effect to the Minimum Offering)</u>	<u>Percentage of class (after giving effect to the Maximum Offering)</u>
Common Shares	17,479,020 <sup>(1)</sup>	47.8%	40.3%
Warrants	13,231,740 <sup>(2)</sup>	45.7%	37.0%

Notes:

- (1) Includes 13,729,020 seed capital shares ("**Seed Shares**"). These Seed Shares will be subject to resale restrictions in accordance with the Exchange Policy 5.4 *Escrow, Vendor Consideration and Resale Restrictions*. These resale restrictions will be enforced through the legending of the share certificates upon closing of the Offering. The Seed Shares will be subject to a 4 month hold period with 20% released monthly and the first release would occur on closing of the Offering.
- (2) Includes 11,681,740 seed warrants ("**Seed Warrants**"). These Seed Warrants will be subject to resale restrictions in accordance with the Exchange Policy 5.4 *Escrow, Vendor Consideration and Resale Restrictions*. These resale restrictions will be enforced through the legending of the warrant certificates upon closing of the Offering. The Seed Warrants will be subject to a 4 month hold period with 20% released monthly and the first release would occur on closing of the Offering.

Escrow restricts the ability of certain holders to deal with their Escrowed Securities while they are in escrow. The Escrow Agreement sets out these restrictions and provides that, except to the extent permitted thereunder, the principals cannot sell, transfer, assign, mortgage, enter into a derivative transaction concerning, or otherwise deal in any way with their Escrowed Securities or the related share certificates or other evidence of the Escrowed Securities. A private company, controlled by one or more principals, that holds Escrowed Securities, may not participate in a transaction that results in a change of its control or a change in the economic exposure of the principals to the risks of holding Escrowed Securities.

The Escrowed Securities shall not be released unless listing of the Common Shares is completed by the Corporation. As the Corporation is an "emerging issuer" as such term is defined in NP 46-201, the original number of the Escrowed Securities purchased by principals (excluding the Seed Shares and Seed Warrants) of the Corporation may be released as to 10% on the Listing Date and as to 15% every six months after the initial release, such that all Escrowed Securities will have been released three years after the Listing Date. The TSXV may approve an accelerated release schedule if the Corporation, after the Listing Date, meets "Tier 1 Corporation" listing requirements or establishes itself as an "established company" as described in NP 46-201.

## Shares Subject to Resale Restrictions

### *Statutory Hold Periods*

In addition to the foregoing escrow provisions, securities legislation imposes certain resale restrictions on securities issued within four months prior to an initial public offering. The legislation which imposes and governs these hold periods is National Instrument 45-102 - Resale of Securities ("**NI 45-102**").

### *Exchange Seed Share Resale Restrictions*

Seed capital shares (all shares issued prior to the IPO which are not subject to the Escrow Agreement) are subject to the Exchange's seed share resale restrictions as outlined in Exchange Policy 5.4 *Escrow, Vendor Consideration and Resale Restrictions*, which determines resale restrictions based on the price at which the security was issued and the length of time it has been held. An aggregate of 13,729,020 Common Shares and 13,231,740 Common Share purchase warrants issued in the 12 months prior to the Offering are subject to the Exchange's seed share resale restrictions, as such securities were issued by the Corporation at less than the Offering Price. The release conditions for such Common Shares are described in the notes to the above table.

## PRINCIPAL SHAREHOLDERS

As at the date of this Prospectus, other than as disclosed in the table below, there are no persons who beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

<u>Shareholder<sup>(3)</sup></u>	<u>Number of Common Shares</u>	<u>Percentage of class prior to Offering</u>	<u>Percentage of class (after giving effect to the Minimum Offering)<sup>(1)(2)</sup></u>	<u>Percentage of class (after giving effect to the Maximum Offering)<sup>(1)(2)</sup></u>
Azteca Gold Corp. <sup>(4)</sup>	3,397,280	14.5%	9.3%	7.8%
Andree Doyle <sup>(5)</sup>	2,500,000	10.7%	6.8%	5.8%

Notes:

- (1) Before giving effect to the exercise of the Agent's Option and the Options to be granted to directors and officer of the Corporation upon Closing of the Offering.
- (2) Assuming that no Units are purchases by the above Shareholders under this Prospectus.

- (3) The Common Shares are owned both of record and beneficially by the listed Shareholders.
- (4) The percentage of the class owned, on a fully diluted basis is 16.37% prior to the Offering, 8.97% assuming completion of the Minimum Offering and 7.42% assuming completion of the Maximum Offering.
- (5) The percentage of the class owned, on a fully diluted basis is 6.4% prior to the Offering, 3.50% assuming completion of the Minimum Offering and 2.90% assuming completion of the Maximum Offering.

## PROMOTERS

Mr. Jan Alston of Calgary, Alberta, may be considered to be the promoter of the CMX in that he took the initiative to reactivate the Corporation. As at the date of this Prospectus, Mr. Alston holds 608,125 Common Shares, representing 2.6% of the currently issued and outstanding Common Shares. Mr. Alston also holds 300,000 Common Share purchase warrants exercisable at \$0.15 per Common Share until May 6, 2013. Except as disclosed in this Prospectus, Mr. Alston has not and will not receive from, or provide to CMX, anything of value, including money, property, contracts, options or rights of any kind directly or indirectly. No other person will be or has been within the two years preceding the date of this Prospectus a promoter of CMX.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Macleod Dixon LLP, counsel to the Corporation and Burstall Winger LLP, counsel to the Agent, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a purchaser of Common Shares and Warrants comprising the Units acquired pursuant to the Offering. This summary is applicable only to a purchaser who, at all relevant times, deals at arm's length and is not affiliated with the Corporation, and who will acquire and hold such Common Shares and Warrants as capital property (each, a "**Holder**"), all within the meaning of the Tax Act. Any Common Shares and Warrants will generally be considered to be capital property to a Holder unless the Holder holds such securities in the course of carrying on a business or has acquired them in a transaction or transactions considered to be an adventure in the nature of trade.

This summary does not apply to a holder of Common Shares or Warrants comprising the Units (i) that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules; (ii) an interest in which is or would constitute a "tax shelter investment" as defined in the Tax Act; (iii) that is a "specified financial institution" as defined in the Tax Act; or (iv) that reports its Canadian tax results in a currency other than the Canadian currency. Such holders should consult their own tax advisors with respect to an investment in Common Shares and Warrants comprising the Units.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and the regulations thereunder (the "**Tax Proposals**") which have been announced by or on behalf the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary assumes that the Tax Proposals will be enacted in the form proposed and does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed herein. No assurances can be given that such Tax Proposals will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the Units. The following description of income tax matters is of a general nature only and is not intended to be, nor should it be construed to be, legal or income tax advice to any particular Holder. Holders are urged to consult their own income tax advisors with respect to the tax consequences applicable to them based on their own particular circumstances.**

### Residents of Canada

This portion of the summary is applicable to a Holder who, for the purposes of the Tax Act and any applicable income tax treaty or convention, is resident or deemed to be resident in Canada at all relevant times (each, a "**Resident Holder**"). Certain Resident Holders whose Common Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have the

Common Shares and every other "Canadian security" (as defined by the Tax Act), which would not include the Warrants, owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

#### *Allocation of Purchase Price*

A Resident Holder will be required to allocate the purchase price of each Unit between the Common Share and the Warrant comprising the Unit on a reasonable basis, in order to determine their respective costs for purposes of the Tax Act. The Corporation intends to allocate \$0.14 of the issue price of each Unit as consideration for the issue of each Common Share and \$0.06 for the issue of each Warrant. Although the Corporation believes such allocation is reasonable, such allocation will not be binding on the CRA.

The adjusted cost base to a Resident Holder of a Common Share acquired hereunder will be determined by averaging the cost of that Common Share with the adjusted cost base (determined immediately before the acquisition of the Common Share) of all other Common Shares held as capital property at that time by the Resident Holder.

#### *Exercise or Expiry of Warrants*

A Resident Holder will not realize a gain or loss upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Resident Holder's cost of Warrant Shares acquired thereby will be equal to the aggregate of the Resident Holder's adjusted cost base of the Warrants so exercised plus the exercise price paid for the Warrant Shares. The Resident Holder's adjusted cost base of the Warrant Shares so acquired will be determined by averaging the cost of those Warrant Shares with the adjusted cost base (determined immediately before the acquisition of the Warrant Shares) of all other Common Shares held as capital property by such Resident Holder at the time of acquisition.

In the event of the expiry of an unexercised Warrant, the Resident Holder will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital losses is discussed in greater detail below under the subheading "Taxation of Capital Gains and Losses".

#### *Disposition of Common Shares and Warrants*

A Resident Holder who disposes of or is deemed to have disposed of a Common Share or a Warrant (other than a disposition arising on the exercise or expiry of a Warrant) will realize a capital gain (or incur a capital loss) in the year of disposition equal to the amount by which the proceeds of disposition in respect of the Common Share or the Warrant exceed (or are exceeded by) the aggregate of the adjusted cost base of such Common Share or Warrant, as the case may be, and any reasonable expenses associated with the disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Taxation of Capital Gains and Losses".

#### *Taxation of Capital Gains and Losses*

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder must be included in the Resident Holder's income for the taxation year in which the disposition occurs. Subject to and in accordance with the provisions of the Tax Act, one-half of any capital loss incurred by a Resident Holder (an "**allowable capital loss**") may be used to offset taxable capital gains realized by the Resident Holder in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be applied to reduce net taxable gains realized by the Resident Holder in the three preceding taxation years or in any subsequent year in the circumstances and to the extent provided in the Tax Act. A capital loss realized on the disposition of a Common Share by a Resident Holder that is a corporation may in certain circumstances be reduced by the amount of dividends which have been previously received or deemed to have been received by the Resident Holder on such share. Similar rules may apply where a corporation is, directly or through a trust or partnership, a member of a partnership or a beneficiary of a trust that owns Common Shares.

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax of 6% on its "aggregate investment income" for the year, which is defined to include an amount in respect of taxable capital gains.

### *Taxation of Dividends Received by Resident Holders*

Dividends received or deemed to be received on the Common Shares will be included in computing the Resident Holder's income.

Dividends (including deemed dividends) received on Common Shares by a Resident Holder who is an individual (and certain trusts) will be included in the Resident Holder's income and be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received by an individual from taxable Canadian corporations including the enhanced gross-up and dividend tax credit for "eligible dividends" properly designated as such by the Corporation.

Dividends (including deemed dividends) received on Common Shares by a Resident Holder that is a corporation will be included in the Resident Holder's income and will normally be deductible in computing such Resident Holder's taxable income. A Resident Holder that is a "private corporation" (as defined in the Tax Act) or any other corporation resident in Canada and controlled, whether by reason of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), may be liable to pay a 33 $\frac{1}{3}$ % refundable tax under Part IV of the Tax Act on dividends received on the Common Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income.

### **Non-Residents of Canada**

The following portion of this summary is generally applicable to a Holder who, for purposes of the Tax Act and at all relevant times, is neither resident nor deemed to be resident in Canada and does not use or hold, and will not be deemed to use or hold, Common Shares or Warrants in a business carried on in Canada (each, a "**Non-Resident Holder**"). Special considerations, which are not discussed in the summary, may apply to a Holder that is an insurer that carries on an insurance business in Canada and elsewhere. Such Holders should consult their own advisers.

#### *Dividends*

Dividends paid or credited on Common Shares to a Non-Resident Holder will be subject to non-resident withholding tax under the Tax Act at the rate of 25%, although such rate may be reduced under the terms of an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

#### *Dispositions*

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Common Share or a Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Common Share or Warrant constitutes "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Provided the Common Shares are listed on a designated stock exchange, which currently includes the TSXV, at the time of disposition, the Common Shares and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder, unless, at any time during the 60 month period immediately preceding the disposition, (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, or the Non-Resident Holder together with all such persons, owned 25% or more of the issued Common Shares or any other class or series of shares of the Corporation; and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly, from one or any combination of real or immovable property situated in Canada, Canadian resource property, timber resource property, or any option in respect of, or interest in, such properties.

Even if a Common Share or Warrant is taxable Canadian property to a Non-Resident Holder, any capital gain realized upon the disposition of such Common Share or Warrant may not be subject to tax under the Tax Act if such capital gain is exempt from Canadian tax pursuant to the provisions of an applicable income tax convention.

If a Non-Resident Holder to whom Common Shares or Warrants are taxable Canadian property is not exempt from tax under the Tax Act by virtue of a tax treaty, the consequences described under "Residents of Canada" will generally apply.

## **RISK FACTORS**

An investment in Units involves a high degree of risk and should only be considered by persons who can afford to lose their entire investment. The following are certain risk factors relating to an investment in Units which prospective investors should carefully consider before deciding whether to purchase any Units. The following information must be read in conjunction with the detailed information appearing elsewhere in this Prospectus. Such risk factors may have a material adverse effect on the financial position or results of operations of the Corporation or the value of the Units.

### **The Corporation's Limited History**

The Corporation is in the early stage of development and must be considered a start-up. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on Shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying any dividends in the near future.

The Corporation has limited financial resources, has not earned any revenue since commencing operations, has no source of operating cash flow and there is no assurance that additional funding will be available to it for further exploration and development of the Corporation's properties or to fulfill its obligations under any applicable agreements. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Corporation's properties with the possible loss of such properties.

### **Negative Operating Cash Flow**

The Corporation currently has no revenues from its operations and may use the proceeds of the Offering to fund any negative operating cash flow.

### **Exploration and Mining Operations Risks**

The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to land tenure, prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in CMX not receiving an adequate return on invested capital.

The Corporation does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by CMX towards the search for and evaluation of mineral deposits will result in discoveries that are commercially viable. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond CMX's control.

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of, gold, silver and other precious or base metals, including unusual and unexpected geologic formations, wall failure, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

## **Metal Prices**

The development and success of the Marietta and Clayton Properties will be primarily dependent on the future price of precious and base metals. Precious and base metal prices are subject to significant fluctuation and are affected by a number of factors which are beyond CMX's control. Such factors include, but are not limited to, interest rates, exchange rates, inflation, deflation, fluctuation in the value of the U.S. dollar and foreign currencies, global and regional supply and demand and the political and economic conditions of major metal-producing countries throughout the world. The price of precious and base metals has fluctuated widely in recent years and future serious price declines could cause continued development of and commercial production from the Corporation's mineral interests to be impracticable. Depending on the price of precious metals, projected cash flow from planned mining operations may not be sufficient and CMX could be forced to discontinue development and may lose its interest in, or may be forced to sell, the Marietta and Clayton Properties. Future production from the Corporation's mineral interests is dependent on precious or base metal prices that are adequate to make these properties economic.

## **Key-Man and Liability Insurance, Uninsurable Risks**

The success of the Corporation will be largely dependent upon the performance of its key officers. The Corporation has not purchased any "key-man" insurance with respect to any of its directors or officers, and has no current plans to do so.

Although the Corporation may obtain liability insurance in an amount which management considers adequate, the nature of the risks for mining companies is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Corporation might not elect to insure itself against such liabilities due to high premium costs or other reasons. Should such liabilities occur, the Corporation could incur significant costs that could have a Material Adverse Effect upon its financial condition.

## **Future Financing Requirements**

The Corporation may need additional financing to continue in business and to implement the Phase II development programs set out in the Marietta Report and Clayton Report and there can be no assurance that such financing will be available or, if available, will be on reasonable terms. If financing is obtained by issuing Common Shares from treasury, control of the Corporation may change and Subscribers under the Offering may suffer additional dilution. To the extent financing is not available, lease expiry dates, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities by the Corporation.

## **Environmental Regulations**

All phases of the Corporation's operations are subject to environmental regulation. Environmental legislation is becoming more strict, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that environmental regulation will not adversely affect the Corporation's operations. Environmental hazards may exist on a property in which the Corporation holds an interest which are unknown to the Corporation at present which have been caused by previous or existing owners or operators of the property.

Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent.

Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. The Corporation intends to fully comply with all environmental regulations in all of the countries in which it is active.



## **Foreign Countries and Regulatory Requirements**

Mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry and foreign investors therein. There is no assurance that the political and investment climate of foreign countries will be favourable. Any changes in regulations or shifts in political conditions are beyond the control of the Corporation and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety. The political climate of other neighbouring countries may result in changes in legal requirements or in the terms of permits and agreements applicable to the Corporation or its properties, which could have a material adverse impact on the Corporation's current exploration program and future development projects.

Where required, obtaining necessary permits and licenses can be a complex, time consuming process and the Corporation cannot assure that required permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Corporation from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

## **Dependence on Limited Properties**

The Marietta and Clayton Properties are the Corporation's sole properties. Any material adverse development affecting the progress of these properties will have a material adverse effect on the Corporation's financial performance and results of operations.

## **Title**

No assurances can be given that title defects to the Marietta Property and the Clayton Property and claims giving rise to the Corporation's interest in the properties do not exist. The Marietta and Clayton properties and claims may be subject to prior unregistered agreements, interests or native land claims and the Corporation's rights may be affected by undetected defects. If title defects do exist, it is possible that the Corporation may lose all or a portion of interest in and to the properties to which the title defect relates. Title to mineral interests in some jurisdictions is often not susceptible of determination without incurring substantial expense. The actual interest of the Corporation in certain properties may vary from the Corporation's records.

There is no guarantee that title to the Corporation's properties will not be challenged or impugned. While, to the best of the Corporation's knowledge, title to both the Marietta Property and the Clayton Property are in good standing, this should not be construed as a guarantee of title.

## **Governmental and Regulatory Requirements**

Government approvals and permits are currently, and may in the future be, required in connection with the Corporation's operations. To the extent such approvals are required and not obtained, the Corporation may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Corporation and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of properties.

## **Infrastructure**

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations, financial condition and results of operations of the Corporation.

## **Costs of Land Reclamation**

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which the Corporation holds an option or title. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of the Corporation.

## **Influence of Management**

Following the completion of the Offering the directors and officers of the Corporation will own up to 11.2% of the outstanding Common Shares of the Corporation. As a result, these Shareholders will have the ability to control or influence the outcome of most corporate actions requiring Shareholder approval, including the election of directors of the Corporation and the approval of certain corporate transactions. The concentration of ownership of the Corporation may also have the effect of delaying or preventing a change in control of the Corporation.

## **No Market for Securities**

There is currently no market through which any of the Corporation's securities, including the Common Shares and Warrants, may be sold and there is no assurance that such securities of the Corporation will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the Common Shares and Warrants are listed on a stock exchange, holders of the Common Shares and Warrants may not be able to sell their Common Shares or Warrants. Even if a listing is obtained, there can be no assurance that an active public market for the Corporation's Common Shares or Warrants will develop or be sustained after completion of the Offering. The Offering Price determined by negotiation between the Corporation and the Agents was based upon several factors, and may bear no relationship to the price that will prevail in the public market. The holding of Common Shares and Warrants involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Common Shares and Warrants should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

## **Dilution**

The price of the Units under the Offering is higher than the book value per share of the Common Shares previously issued. Accordingly, investors who purchase Units in the Offering will incur immediate dilution in the pro forma net tangible book value of their Units. This means that investors that purchase Units will pay a price per Unit that exceeds the book value of the Corporation's net tangible assets after subtracting its liabilities. Moreover, investors in the Offering will experience further dilution to the extent that additional Common Shares are issued, such as upon exercise of options granted under the Corporation's Option Plan.

## **Currency Exchange Rates**

Exchange rate fluctuations may adversely affect the Corporation's financial position and results. Silver is sold throughout the world, primarily in U.S. Dollars. The Corporation's financial results are reported in Canadian Dollars and costs are incurred primarily in Canadian Dollars. The appreciation of the Canadian Dollar against the U.S. Dollar could increase the actual capital and operating costs of the Corporation's mineral exploration projects and materially adversely affect the results presented in the Corporation's financial statements. Currency exchange fluctuations may also materially adversely affect the Corporation's future cash flow from operations, its results of operations, financial condition and prospects.

## **Competition**

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Corporation competes with a number of other entities in the search for and the acquisition of productive mineral properties as well as for the recruitment and retention of qualified personnel. As a result of this competition, the majority of which is with companies with greater financial resources than the Corporation, the Corporation may be unable to acquire attractive properties in the future on terms it considers acceptable. The Corporation also competes for financing with other resource companies, many of whom have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation.

The ability of the Corporation to acquire properties depends on its success in exploring and developing its present properties and on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. Increased competition could result in increased costs and reduced profitability which could materially adversely affect the Corporation's revenues, operations and financial condition.

## **Dividend Policy**

Payment of any future dividends will be at the discretion of the Board of Directors after taking into account many factors, including CMX's operating results, financial condition and current and anticipated cash needs.

## **Arbitrary Offering Price**

The Offering Price of the Units has been determined by the Corporation in consultation with the Agent. The Offering Price is not an indication of the value of the Units and the underlying securities comprising the Units or that any of the Units and the securities comprising the Units could be sold for an amount equal to the Offering Price or for any amount.

## **Conflicts of Interest**

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration and development. To the extent that such other companies may participate in ventures which the Corporation may participate there exists the possibility for such directors and officers to be in a position of conflict. Such directors and officers have duties and obligations under the laws of Canada to act honestly and in good faith with a view to the best interests of the Corporation and its Shareholders. Accordingly, such directors and officers will declare and abstain from voting on any matter in which such director and/or officer may have a conflict of interest.

## **Factors Beyond the Corporation's Control**

Location of mineral deposits depends upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The exploration and development of mineral properties and the marketability of any minerals contained in such properties will also be affected by numerous factors beyond the control of the Corporation. These factors include availability of adequate transportation and refining facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

## **Resale of Shares**

The continued operation of the Corporation will be dependent upon its ability to generate operating revenues. There can be no assurance that any such revenues can be generated. If the Corporation is unable to generate such revenues or obtain such additional financing, any investment in the Corporation may be lost. In such event, the probability of resale of the shares of the Corporation would be diminished.

**AS A RESULT OF THESE RISK FACTORS, THE OFFERING IS SUITABLE ONLY FOR THOSE SUBSCRIBERS WHO ARE WILLING TO RELY ON THE MANAGEMENT OF THE CORPORATION AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT IN THE UNITS.**

## MATERIAL CONTRACTS

The only material contracts which have been entered into by the Corporation since its formation, or will be entered into prior to the Closing of this Offering are the following:

- (a) Escrow Agreement to be dated as of the Closing Date among the Corporation, the Escrowed Shareholders and Olympia Trust Corporation. See "*Escrowed Securities*";
- (b) Warrant Indenture to be dated as of the Closing Date between the Corporation and the Warrant Trustee. See "*Capital Structure of the Corporation - Warrants*";
- (c) Agency Agreement dated [●], 2011 between the Corporation and the Agent. See "*Plan of Distribution*".
- (d) Option Agreement dated March 17, 2011 between the Corporation and Azteca with respect to the Marietta Property. See "*Description of the Business*"; and
- (e) Purchase Agreement dated December 16, 2011 between the Corporation and Andree Doyle with respect to the Clayton Property. See "*Description of the Business*".

Copies of the foregoing documents may be examined by prospective Subscribers during normal business hours at the offices of Macleod Dixon LLP, legal counsel to the Corporation, 3700, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada, T2P 4H2 during the period of distribution of the securities offered hereby.

## INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS

Other than Jan Alston being a director of Azteca and Randal Squires being the Chief Financial Officer of Azteca, with whom the Corporation has acquired its property interests, management of the Corporation is not aware of any material interest, direct or indirect, of any director or officer of the Corporation, any person beneficially owning, directly or indirectly, more than 10% of the Corporation's voting securities, or any associate or affiliate of such person in any transaction within the last financial year or in any proposed transaction which in either case has materially affected or will materially affect the Corporation.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Grant Thornton LLP, Chartered Accountants, of 900, 833 - 4 Ave S.W., Calgary, Alberta, T2P 3T5. Grant Thornton LLP is the successor firm to BDO LLP and was first appointed as auditors of the Corporation on February 8, 2011.

CMX's transfer agent and registrar is Olympia Trust Corporation, 2300, 125 - 9th Avenue S.E., Calgary, Alberta, T2G 0P6.

## EXPERTS

Certain legal matters relating to the issue and sale of Units offered hereby will be passed upon by Macleod Dixon LLP on behalf of the Corporation and by Burstall Winger LLP on behalf of the Agent. As at the date hereof, the partners or associates of Macleod Dixon LLP, as a group, own 5.8% of the Common Shares. As at the date hereof, the partners or associates of Burstall Winger LLP, as a group, do not own any of the Common Shares.

Grant Thornton LLP are independent of the Corporation pursuant to the rules of professional conduct of the Institute of Chartered Accountants of Alberta.

The information in this Prospectus regarding the Marietta Property and the Clayton Property was summarized from the Marietta Report and Clayton Report, respectively, which were authored by Dr. Jennifer A. Thomson. Dr. Thomson is a "qualified person" and "independent" of the Corporation as those terms are defined in NI 43-101. The author and her firm does not own any securities of the Corporation.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

Management of the Corporation is not aware of any legal proceedings or regulatory actions outstanding, threatened or pending as of the date hereof by or against the Corporation or relating to the business which would be material to a Subscriber of Units.

## **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain provinces of Canada provides Subscribers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the legislation further provides a Subscriber with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the Subscriber, provided that such remedies for rescission or damages are exercised by the Subscriber within the time limit prescribed by the securities legislation of the Subscriber's province. The Subscriber should refer to any applicable provisions of the securities legislation of the Subscriber's province for the particulars of these rights or consult with a legal advisor.

## **ADDITIONAL INFORMATION**

Following consummation of the Offering, the Corporation will be required to file reports and other information with the securities commissions in all provinces of Canada. These filings will be electronically available from SEDAR at [www.sedar.com](http://www.sedar.com).

### **AUDITOR'S CONSENT**

We have read the Prospectus of CMX Gold & Silver Corp. dated October [●], 2011 relating to the distribution of a minimum of 13,250,000 units and up to 20,000,000 units of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Prospectus of our independent auditor's report to the shareholders of CMX Gold & Silver Corp. on the balance sheet as at December 31, 2010, and the statements of operations, comprehensive loss and deficit and cash flows for the year ended December 31, 2010, dated May 2, 2011.

### **GRANT THORNTON LLP, CHARTERED ACCOUNTANTS**

Calgary, Canada  
[●], 2011

### **AUDITOR'S CONSENT**

We have read the prospectus of CMX Gold & Silver Corp. ("the **Corporation**") dated October [●], 2011 relating to the distribution of a minimum of 13,250,000 units and up to a maximum of 20,000,000 units of the Corporation. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Prospectus of our independent auditor's report to the shareholders of CMX Gold & Silver Corp. on the balance sheet as at December 31, 2009, and the statements of operations, comprehensive loss and deficit and cash flows for the year ended December 31, 2009, dated April 30, 2011 and October [●], 2011

### **BDO Canada LLP, CHARTERED ACCOUNTANTS**

Calgary, Alberta, Canada  
[●], 2011

**CERTIFICATE OF THE CORPORATION**

Dated: October 19, 2011

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of the provinces of Alberta, British Columbia, Saskatchewan and Ontario.

**On behalf of CMX Gold & Silver Corp.**

(Signed) "*Jan Alston*"  
President and Chief Executive Officer

(Signed) "*Randal Squires*"  
Chief Financial Officer

**On behalf of the Board of Directors**

(Signed) "*Bruce Murray*"  
Director

(Signed) "*Robert Russell*"  
Director

## **CERTIFICATE OF THE AGENT**

Dated: October 19, 2011

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of the provinces of Alberta, British Columbia, Saskatchewan and Ontario.

### **UNION SECURITIES LTD.**

(signed) "*J. David D. McKeown*"

By: J. David D. McKeown  
Senior Vice President, Corporate Finance



## CERTIFICATE OF THE PROMOTERS

Dated: October 19, 2011

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of the provinces of Alberta, British Columbia, Saskatchewan and Ontario.

### Promoters

(Signed) "*Jan Alston*"

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Jan Alston