

CMX GOLD & SILVER CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion is management's analysis of CMX Gold & Silver Corp.'s (the "Corporation" or "CMX") operating and financial data for the six months ended June 30, 2013 and 2012 as well as management's estimates of future operating and financial performance based on information currently available. It should be read in conjunction with the unaudited interim financial statements and notes for the periods ended June 30, 2013 and 2012 and the audited financial statements and notes for the years ended December 31, 2012 and 2011.

This Management's Discussion and Analysis ("MD&A") and the unaudited interim financial statements and comparative information have been prepared in accordance with IFRS.

All financial information in this MD&A is stated in Canadian dollars, the Corporation's reporting currency, unless otherwise noted. The MD&A was prepared as of August 29, 2013. Additional information relating to CMX can be found at www.sedar.com.

MATERIAL FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information as contemplated by Canadian securities regulators' Form 51-102F1, also known as forward-looking statements. All estimates and statements that describe the Corporation's objectives, goals or future plans are forward-looking statements. Readers are cautioned that the forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Corporation and described in the forward-looking statements. The Corporation will issue updates where actual results differ materially from any forward looking statement previously disclosed.

RESPONSIBILITY OF MANAGEMENT

The preparation of the financial statements, including the accompanying notes, is the responsibility of management. Management has the responsibility of selecting the accounting policies used in preparing the financial statements. In addition, management's judgment is required in preparing estimates contained in the financial statements.

ABOUT CMX GOLD & SILVER CORP.

The Corporation is an exploration stage Corporation engaged in the acquisition and exploration of mineral properties. The Corporation's main focus is on exploration for silver, gold and copper in the United States.

SIX MONTH OVERVIEW

The Corporation's main activities during the period were continuing to work to obtain a listing on a Canadian stock exchange and to organize the requisite funding.

On February 28, 2013, a total of \$176,163 of outstanding balances owed to officers and directors of the Corporation were deferred, with payment due July 1, 2014. These deferred balances bear an interest rate of 10% per annum.

On February 28, 2013, a total of \$144,120 of accounts payable was deferred, with payment due July 1, 2014. These deferred balances bear an interest rate of 10% per annum.

RESULTS OF OPERATIONS

During the period ended June 30, 2013, net loss before financing expenses was \$90,534 compared to \$134,267 in 2012, resulting in a decrease of \$43,733. The Corporation has maintained operating expenses to a minimum as it works toward funding its exploration projects and working capital deficiency.

The following table itemizes the net loss from operations for the three month periods ended June 30, 2013 and 2012.

SCHEDULE OF NET LOSS FROM OPERATIONS

For the 6 months ended June 30,

	2013	2012
Management fees	\$ 61,250	\$ 97,212
Professional fee	3,719	15,246
General and administrative	10,789	11,740
Listing and agent fees	10,006	5,216
Exploration and evaluation expenditures	4,602	4,853
Shareholder reporting	65	--
Loss on foreign exchange	103	--
Total expenses	\$ 90,534	\$ 134,267

EXPLORATION AND EVALUATION

In December 2010, the Corporation completed the purchase of the Clayton Property and in 2011 obtained an option to acquire an interest in the Marietta Property.

Clayton Property

The Corporation acquired 100 percent of Clayton for a cost of US\$500,000. The Corporation paid US\$250,000 in cash and issued 2,500,000 common shares of the Corporation at a deemed price of US\$0.10 per common share. It was a material representation of the agreement to purchase Clayton that the CMX make best efforts to list its common shares on a stock exchange within six months of December 17, 2010. In addition, the Corporation granted to the vendor a production royalty of one percent of any amount received by CMX for any ore or ore concentrates. Pursuant to an agreement dated January 25, 2011, in exchange for certain data on Clayton in the possession of Azteca Gold Corp. ("Azteca") and the relinquishment by Azteca of any rights it may have had with respect to Clayton, CMX issued Azteca 897,280 common shares at a deemed price of US\$0.05 per common share and agreed to grant Azteca 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 date CMX's common shares are listed on a Canadian stock exchange.

The Clayton Silver Mine was discovered in the late 1800's and historically was one of the most active underground mines in the Bayhorse Mining District in central Idaho for lead, zinc, copper and silver. Clayton is comprised of 29 patented mining claims and covers 565 acres. Small scale mining operations were carried out on a regular basis from 1935 to 1986. Historical production records for about 50 years of operation indicate recovery of 6.7 million Troy ounces of silver, 83.5 million pounds of lead, 28.9 million pounds of zinc, 1.4 million pounds of copper and minor gold. The old mine workings extended to a depth of 1,100 feet, but earlier drilling indicated that the mineralization likely extends 427 feet deeper than the 1,100 feet level. The strike length of the mined zone averages 410 feet with variable width due to the nature of the replacement. Historical production information, which is found in a Master's Thesis prepared by B. Hillman and written in 1986, is not NI 43-101 compliant, but the Corporation and the Corporation's Qualified Person, Dr. Jennifer Thomson, consider this information to be reliable.

On March 7, 2013, the CMX filed a National Instrument 43-101 compliant technical report for Clayton on SEDAR. Subject to successful completion of future financings, the Corporation is developing an exploration program that will include geologic data analysis and a drilling program on the Clayton patented claims.

Marietta Property

The Corporation issued to Azteca 2,500,000 common shares of the Corporation at a price of US\$0.10 per share as an option payment on Marietta (the "Option Agreement"). Pursuant to the Option Agreement, the Corporation has agreed to incur an aggregate of US\$2,000,000 in exploration expenses on Marietta over a period of two years from the date the Corporation's common shares commence trading on a Canadian stock exchange. The Option Agreement stipulated that if the listing does not occur prior to June 17, 2012, then each party has the right to terminate the Option Agreement. On June 12, 2012, the Corporation and Azteca agreed to amend the Option Agreement to provide that if the listing does not occur by June 17, 2012 a party to the Option Agreement must provide thirty days' written notice of any intention to terminate the Option Agreement and, in such event, Azteca will return the 2,500,000 common shares of the Corporation for cancellation. As of the date of this MD&A, to the knowledge of CMX, no such notice has been given by either party to the Option Agreement. In addition to the other consideration granted to Azteca under the Option Agreement, CMX agreed to pay annual rental payments and taxes of any nature whatsoever due August 31st each year respecting the Marietta Property, of approximately \$22,000.

CMX will earn a 30 percent interest in Marietta by spending at least US\$1,000,000 in exploration expenses on Marietta. Further exploration expenditures of a least US\$1,000,000 will earn the Corporation an additional 20 percent interest in Marietta. After earning a 50 percent interest, the Corporation will have the option of obtaining operatorship under the joint

venture by spending another US\$500,000 within six months of exercising such option. The Corporation and Azteca have agreed to an area of interest consisting of all mineral claims, mining leases or other mineral interests within a distance of two (2) kilometers from the external perimeter of the Property.

Marietta has a large land package that encompasses an entire historical silver district centrally located in the Walker Lane Mineral Belt, and consists of 13 patented claims and 143 unpatented claims. Marietta contains at least four minor historical silver mines dating back to the 1870's as outlined in a National Instrument 43-101 compliant technical report that was filed on SEDAR on March 14, 2012.

Marietta contains multiple drill targets of both deposit types associated with the Walker Lane Mineral Belt, which includes the potential for discovery of one or more porphyries on Marietta. Exploration activities conducted by Azteca in 2007 and 2008 included geological mapping, rock chip and soil sampling, a ground magnetic survey, and induced polarization (IP) and resistivity surveys. The National Instrument 43-101 technical report states that the data suggests a possible source for the hydrothermal fluids that produced the veins (in the area of interest on Marietta) may be a hidden porphyry system with an associated intrusive at depth. CMX will conduct further work regarding this interpretation. Subject to successful completion of future financings, the Corporation is developing an exploration program to be carried out in 2014, to test a number of interpreted magnetic and IP anomalies, which will include further data analysis, additional magnetic surveys, and a drilling program.

SUMMARY OF QUARTERLY RESULTS

	2013		2012			2011		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4 ⁽¹⁾ (restated)	Q3 ⁽¹⁾ (restated)
Net loss before financing expenses	\$35,182	\$55,352	\$78,313	\$145,044	\$80,589	\$53,678	\$33,177	\$73,648
Net loss before financing expenses on a per share basis	0.001	0.002	0.003	0.006	0.004	0.002	0.002	0.003
Net loss	\$105,690	\$56,144	\$514,889	\$146,905	\$86,348	\$54,745	\$36,087	\$73,586
Net loss on a per share basis	0.004	0.002	0.022	0.006	0.004	0.002	0.002	0.003

Note:

(1) The Corporation has outstanding warrants with an exercise price denominated in U.S. dollars. With the adoption of IFRS, management originally classified these warrants as a derivative financing liability with any change in fair value recorded to the statement of operations and comprehensive loss. It was subsequently determined that this was not the appropriate treatment and the previously recognized change in fair values were reversed resulting in the restatements.

LIQUIDITY AND CAPITAL RESOURCES

The net loss for the period ended June 30, 2013 was funded with cash reserves and trade receivables. Unpaid expenses were accrued to trade and other payables and due to related parties. As of June 30, 2013, the Corporation had a net working capital deficiency of \$762,789 (December 31, 2012 - \$875,846). Future operations will be funded by the issuance of capital stock. CMX is currently working on a plan to raise sufficient funds required to cover the Corporation's working capital deficiency and allow it to carry out a program on Clayton later in 2013 or 2014.

Estimated Cash Flow Requirements for the Next 12 Months

Exploration programs – Clayton and Marietta claim payments and property taxes	\$ 21,650
Exploration programs on Clayton property (funding dependant)	686,750
General and administrative	<u>310,000</u>
Total estimated cash requirements	<u>\$ 1,018,400</u>

The total exploration program expenditures are contingent on CMX being able to raise sufficient equity capital in the future.

GOING CONCERN RISK

The Corporation has no source of operating cash flow and operations to date have been funded primarily from the issue of share capital. The Corporation's ability to continue as a going concern is contingent on obtaining additional financing. Whether the Corporation will be successful with any future financing ventures is uncertain, and this uncertainty casts significant doubt upon the Corporation's ability to continue as a going concern. While the Corporation intends to advance its plans through additional equity financing, there is no assurance that any funds will ultimately be available for operations.

COMMITMENTS

The Corporation anticipates that it will enter into management contracts during 2014. These contracts will be negotiated in the normal course of operations and will be measured at the exchange amount which is the amount of consideration established and agreed by the parties and will reflect the values that the Corporation would transact with arm's length parties.

The Corporation has the following commitments for the next 12-month period:

- Clayton property - \$650, related to property taxes.
- Marietta Property - \$21,000 related to claim payments.
- \$20,000 related to remedial work

SUBSEQUENT EVENTS

The Corporation had no subsequent events to report.

ARRANGEMENTS

The Corporation does not have any off-balance sheet arrangements and it is not likely that the Corporation will enter into off-balance sheet arrangements in the foreseeable future.

CRITICAL ACCOUNTING ESTIMATES

The Corporation has continuously refined its management and internal reporting systems to ensure that accurate, timely, internal and external information is gathered and disseminated.

The Corporation's financial and operating results incorporate certain estimates including:

- i) estimated capital expenditures on projects that are in progress;
- ii) estimated future recoverable value of property associated with exploration and evaluation and any associated impairment charges or recoveries.
- iii) estimated deferred income tax assets and liabilities based on current tax interpretations, regulations and legislation that is subject to change.

The Corporation's management and consultants have the skills required to make such estimates and ensures that individuals with the most knowledge of the activity are responsible for the estimates. Further, past estimates are reviewed and compared to actual results, and actual results are compared to budgets in order to make more informed decisions on future estimates.

The Corporation's management team's mandate includes ongoing development of procedures, standards and systems to allow the Corporation to make the best decisions possible.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and the preparation of financial statements in compliance with IFRS. The Corporation's internal controls over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Corporation;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- ensure the Corporation's receipts and expenditures are made only in accordance with authorization of management and the Corporation's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the annual or interim financial statements.

There were no changes in the Corporation's business activities during the period-ended June 30, 2013 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Corporation's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. Further, the design of a control system reflects the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Corporation have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

As a venture issuer (as defined in applicable securities laws) the Corporation is not required to certify the design and evaluation of its DC&P and ICFR, and inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis DC&P and ICFR for CMX may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

OUTSTANDING SHARE DATA

August 29, 2013

Common Shares Issued and Outstanding	25,287,274
Warrants Outstanding	17,666,740

	Warrants Outstanding	Weighted Average Exercise Price
Balance, December 31, 2011	15,731,740	\$0.16
Issued with private placements	750,000	\$0.20
Issued with shares for debt	135,000	\$0.25
Issued with private placements	1,050,000	\$0.25
Balance December 31, 2012 and May 30, 2013	17,666,740	\$0.16

Warrants Outstanding and Exercisable	Exercise Price	Expiry Date
2,500,000	\$0.25	May 28, 2015
4,800,000	\$0.15	June 30, 2014
1,100,000	\$0.15	June 30, 2014
1,010,000	\$0.15	June 30, 2014
451,740	\$0.15	June 30, 2014
2,870,000	\$0.15	June 30, 2014
750,000	\$0.20	October 9, 2014
1,185,000	\$0.25	October 9, 2014
3,000,000	US\$0.10	2 years from commencement of TSXV trading
17,666,740	\$0.16	

There are no options issued or outstanding.

TRANSACTIONS WITH RELATED PARTIES

During the period ended June 30, 2013, the Company incurred management fees of \$53,250 (2012 - \$84,712) to a corporation controlled indirectly by a director of the Company.

During the period ended June 30, 2013, the Company incurred management fees of \$8,000 (2012 - \$12,500) to the chief financial officer of the Company.

At June 30, 2013, the Company owed to officers and directors, \$291,534 (June 30, 2012 - \$252,523) of which \$176,163 has been deferred. The deferred amounts are due July 1, 2014 and bear an interest rate of 10% per annum.

These transactions were measured at the amount of consideration established and agreed upon by the related parties.

CONTINGENT LIABILITIES

The Corporation has no contingent liabilities.

FINANCIAL INSTRUMENTS

The Corporation is exposed to a variety of financial risks including credit risk, liquidity risk, and market risk.

Risk management is carried out by the Corporation's management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Fair value of financial instruments	Carrying value	June 30, 2013 Fair value	Carrying value	December 31, 2012 Fair value
Financial assets				
Loans and receivables				
Cash and cash equivalents	\$ 2,637	\$ 2,637	\$ 2,857	\$ 2,857
Trade and other receivables	5,548	5,548	6,026	6,026
	\$ 8,185	\$ 8,185	\$ 8,883	\$ 8,883
Financial liabilities				
Financial liabilities measured at amortized cost				
Trade and other payables	\$ 512,217	\$ 512,217	\$ 593,745	\$ 593,745
Due to related parties	115,371	115,371	147,424	147,424
Dividends payable	143,560	143,560	143,560	143,560
Long-term debt	144,120	144,120	--	--
Due to related parties non-current	176,163	176,163	45,392	45,392
	\$ 1,091,431	\$ 1,091,431	\$ 930,121	\$ 930,121

The carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables and shareholder loans approximate fair value due to the short term nature of these instruments.

Financial risk

a) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is primarily attributable to cash and cash equivalents, and trade and other receivables. Cash is held with reputable chartered banks from which management believes the risk of loss is minimal.

Included in trade and other receivables are taxes receivable from Canadian government authorities. Management believes that the credit risk concentration with respect to financial instruments is minimal. The maximum credit risk exposure associated with the Corporation's financial assets is the carrying value.

b) Liquidity risk

Liquidity risk is that the Corporation will not be able to meet its obligations as they become due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient resources to meet liabilities when due. As at June 30, 2013, the Corporation had a net working capital deficiency of \$762,789 (December 31, 2012 - \$875,846). Management of the Corporation is continuously monitoring its working capital position and will raise funds through the equity markets as they are required. However, there is no certainty that the Corporation will be able to obtain funding by share issuances in the future.

The following amounts are the contractual maturities of financial liabilities and other commitments as at June 30, 2013:

	Total	2013	Thereafter
Trade and other payables	\$ 656,337	\$ 512,217	\$ 144,120
Due to related parties	291,534	115,371	176,163
Dividends payable	143,560	143,560	--
	\$ 1,091,431	\$ 771,148	\$ 320,283

c) Market risk

Market risk is the risk of loss that may arise from changes in the market factors such as interest rates, commodity and equity prices and foreign currency rates.

i. Interest rate risk

The Corporation has cash balances and its current policy is to invest excess cash in investment-grade short-term money market accounts. The Corporation periodically monitors the investments it makes and is satisfied with the credit worthiness of its investments. Interest rate risk is minimal as interest rates are anticipated to remain at historically low levels with little fluctuation and any excess cash is invested in money market funds. Fluctuations in interest rates do not materially affect the Corporation as it does not have significant interest-bearing instruments.

ii. Foreign currency risk

Currency risk is the risk to the Corporation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Corporation is exposed to foreign currency exchange risk on cash held in U.S. funds. The Corporation does not use derivative instruments to reduce its exposure to foreign currency risk.

Foreign currency risk could adversely affect the Corporation, in particular the Corporation's ability to operate in foreign markets. Foreign currency exchange rates have fluctuated greatly in recent years. There is no assurance that the current exchange rates will mirror rates in the future. The Corporation currently has minimal foreign currency risk although in the future foreign currency risk may affect the level of operations of the Corporation. This may also affect the Corporation's liquidity and its ability to meet its ongoing obligations.

As the Corporation currently holds minimal United States currency a change in the exchange rate between the US dollar and the Canadian dollar would not have a significant effect on the Corporation liquidity or working capital.

CAPITAL MANAGEMENT

The Corporation's objectives in managing its capital will be:

- i) To have sufficient capital to ensure that the Corporation can continue to meet its commitments with respect to its mineral exploration properties and to meet its day-to-day operating requirements in order to continue as a going concern; and
- ii) To provide a long-term adequate return to shareholders.

The Corporation's capital structure is comprised of working capital deficit and shareholders' equity.

The Corporation will be an exploration stage Corporation which involves a high degree of risk. The Corporation has not determined whether its properties contain economically recoverable reserves of ore and currently will not earn any revenue from its mineral properties and therefore will not generate cash flow from operations. The Corporation's primary source of funds will come from the issuance of capital stock.

The Corporation's policy is to invest its excess cash in highly liquid, fully guaranteed, bank sponsored instruments. The Corporation's primary source of funds comes from the issuance of share capital.

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Corporation's management to sustain future development of the Corporation. The Corporation has no long-term debt and is not subject to externally imposed capital requirements. There have been no changes in the Corporation's capital management in the current period.

FUTURE ACCOUNTING PRONOUNCEMENTS

IFRS 9 Financial Instruments (effective January 1, 2015)

The standard is the first step in the process to replace IAS 39, "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized costs and fair value. Portions of the standard remain in development and the full impact of the standard on the Corporation's financial statements will not be known until the project is complete.

The Corporation is currently assessing the impact that the above adoptions may have on its financial statements.