CMX GOLD & SILVER CORP.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Independent Auditor's Report

MNP LLP

To the Shareholders of CMX Gold & Silver Corp.:

Opinion

We have audited the consolidated financial statements of CMX Gold & Silver Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020, and the consolidated statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company has recurring losses over the Company's history and as at December 31, 2021, the Company has an accumulated deficit and a working capital deficiency. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Leanne Bjalek.

Calgary, Alberta

MNP LLP

April 27, 2022

Chartered Professional Accountants

MNP

CMX GOLD & SILVER CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at		December 31, 2021		December 31, 2020
ASSETS				
Current				
Cash and cash equivalents	$	16,065	$	233
Exploration and evaluation (note 6)		654,811		657,646
Total assets	$	670,876	$	657,879
LIABILITIES				
Current				
Trade and other payables	$	58,223	$	214,960
Subscriptions received (note 7)		-		31,486
Due to related parties (note 8)		97,842		868,683
Debentures to related parties (notes 8 and 9)		14,162		255,821
Debentures (note 9)		-		139,172
Total liabilities		170,227		1,510,122
SHAREHOLDERS' EQUITY				
Share capital (note 10)		5,048,987		4,001,253
Warrants (note 12)		168,591		84,445
Contributed surplus (note 13)		1,140,717		1,056,272
Accumulated other comprehensive income		137,922		140,362
Deficit		(5,995,568)		(6,134,575)
Total shareholders’ equity (deficiency)		500,649		(852,243)
Total liabilities and shareholders’ equity (deficiency)	$	670,876	$	657,879

Going concern (note 2)
Commitments (note 19)
Subsequent events (note 20)

Approved on behalf of the Board of Directors

/s/ *“Bruce J. Murray”*

/s/ *“Jan M. Alston”*

The accompanying notes are an integral part of these consolidated financial statements

CMX GOLD & SILVER CORP.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

For the years ended December 31,		2021		2020
Expenses				
Management fees (note 8)	$	202,483	$	56,385
Professional fees		41,602		30,000
Listing and filing fees		40,968		10,389
General and administrative		10,922		24,384
Mineral property expenditures (note 6)		4,412		4,728
Shareholder reporting and investor communications		3,262		915
Loss on foreign exchange		573		22
Recovery of expenses		(8,354)		-
		295,868		126,823
Loss before financing expenses		(295,868)		(126,823)
Financing income (expenses)				
Related party debenture and loan interest (notes 8 and 9)		(47,254)		(61,794)
Bank charges and third-party debenture and loan interest (note 9)		(18,671)		(20,037)
Gain on settlement of debt (note 10)		500,800		-
Net income (loss) for the year		139,007		(208,654)
Other comprehensive loss				
Items that may be reclassified subsequently to net income or loss				
Exchange difference on translating foreign operation		(2,440)		(12,610)
Total income (loss) and comprehensive loss for the year	$	136,567	$	(221,264)
Basic and diluted income (loss) per share	$	0.0033	$	(0.006)
Weighted average number of shares outstanding – basic and diluted		42,084,272		36,305,724

CMX GOLD & SILVER CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Issued share capital #	Issued share capital $	Warrants	Accumulated other comprehensive income	Contributed Surplus	Deficit	Total
Balance December 31, 2019	36,305,724	$ 4,001,253	$ 87,920	$ 152,972	$ 1,052,797	$ (5,925,921)	$ (630,979)
Expired warrants (note 12)	-	-	(3,475)	-	3,475	-	-
Net loss for the year	-	-	-	-	-	(208,654)	(208,654)
Exchange difference on translating foreign operation	-	-	-	(12,610)	-	-	(12,610)
Balance December 31, 2020	36,305,724	$ 4,001,253	$ 84,445	$ 140,362	$ 1,056,272	$ (6,134,575)	$ (852,243)
Shares issued for cash (note 10 and 12)	5,800,000	195,877	94,123	-	-	-	290,000
Shares issued for debt (note 10 and 12)	20,585,000	851,857	74,468	-	-	-	926,325
Expired warrants (note 12)	-	-	(84,445)	-	84,445	-	-
Net income for the year	-	-	-	-	-	139,007	139,007
Exchange difference on translating foreign operation	-	-	-	(2,440)	-	-	(2,440)
Balance December 31, 2021	62,690,724	$ 5,048,987	$ 168,591	$ 137,922	$ 1,140,717	$ (5,995,568)	$ 500,649

The accompanying notes are an integral part of these consolidated financial statements

CMX GOLD & SILVER CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31,		2021		2020
Cash flow used in operating activities				
Net Income (loss)	$	139,007	$	(208,654)
Items not affecting cash				
Gain on settlement of debt		(500,800)		-
Management fees (note 8)		95,041		56,385
Related party debenture and loan interest (notes 8 and 9)		47,254		61,794
Third party debenture and loan interest (note 9)		8,972		14,276
General and administrative		10,000		23,595
Gain on foreign exchange		573		22
Recovery of expenses		(8,354)		-
Changes in non-cash working capital items (note 14)		(58,361)		56,186
Net change in cash and cash equivalents		(266,668)		3,604
Cash flows generated from financing activities				
Shares issued for cash (note 10)		290,000		-
Cash payments from related parties (note 8)		2,500		14,700
Cash payments to related parties (note 8)		-		(33,093)
Subscriptions received		(10,000)		10,000
		282,500		(8,393)
Net change in cash and cash equivalents		15,832		(4,789)
Cash and cash equivalents, beginning of year		233		5,022
Cash and cash equivalents, end of year	$	16,065	$	233

1. NATURE OF OPERATIONS

CMX Gold & Silver Corp. (the "Company" or "CMX") was incorporated on July 30, 1986 pursuant to the laws of the Province of Alberta, Canada and changed its name from Encee Group Ltd. to Liard Resources Ltd. on August 6, 1996. The Company changed its name to CMX Gold & Silver Corp. on February 11, 2011. The Company is designated as a "reporting issuer" pursuant to the Alberta Securities Act and Regulations. The Company is listed on the Canadian Securities Exchange under the trading symbol "CXC". The Company is a junior mining company with a silver-lead-zinc property in the United States of America. The registered office of the Company is:

CMX Gold & Silver Corp.
31 Stranraer Place SW
Calgary, Alberta
Canada T3H 1H5

The consolidated financial statements were authorized for issuance by the Board of Directors on April 27, 2021.

Covid-19 did not have a major impact on the Company in 2021. The Company continues to manage cross-border travel restrictions in place due to Covid-19 and anticipates an easing of these restrictions through 2022. The Company does not anticipate any further negative effects from Covid-19 for the remainder of 2022 although determining what will happen past 2022 is impossible due to the inability to predict any further outbreaks of Covid-19.

2. GOING CONCERN

The business of exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in profitable operations. The Company has not determined whether its properties contain economically recoverable reserves of ore and currently has not earned any revenue from its mineral properties and, therefore, does not generate cash flow from its operations. Future operations are dependent upon the discovery of economically recoverable ore reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete exploration and subsequent development of its properties, and upon future profitable production or proceeds from disposition of its properties.

The consolidated financial statements of the Company have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its obligations as they become due in the normal course of operations. For the year ended December 31, 2021, the Company incurred net income (loss) of $139,007 (2020 - $(208,654)). As a result of the recurring losses over the Company's history, the Company has an accumulated deficit of $5,995,568 as at December 31, 2021 (2020 - $6,134,575). At December 31, 2021, the Company had a working capital deficiency of $154,162 (2020 - $1,509,889). The Company currently does not have the necessary financing in place to support continuing losses. To mitigate the working capital deficiency, the Company plans to raise capital through equity issuance. Historically, the Company has financed its operations and property acquisitions through the use of funds obtained from share issuances.

The Company's continuation as a going concern is dependent upon its ability to secure new financing arrangements and new equity issuances. There is no assurance that new capital will be available and if it is not, the Company may be forced to substantially curtail or cease operations. Although the use of the going concern assumption is appropriate, there can be no assurance that any steps the Company takes will be successful. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities, and reported revenues and expenses, that might be necessary should the Company be unable to continue as a going concern, and therefore, be required to realize its assets and discharge its liabilities other than in the normal course of business and at carrying amounts different from those reflected in the accompanying consolidated financial statements. Any such adjustments could be material.

3. BASIS OF PRESENTATION

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee.

Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and share-based payments which have been accounted for at fair value.

Functional and presentation currency
The functional currency of the Company is Canadian dollars, and all amounts are presented in Canadian dollars unless otherwise stated. The functional currency of the Company's wholly owned subsidiary, CMX Gold & Silver (USA) Corp., is the US dollar.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from and affect the results reported in these consolidated financial statements as future confirming events occur.

The Company's ability to execute its strategy as a going concern by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

The determination of the Company's functional currency requires management judgment based on an evaluation of all relevant information in relation to the related primary and secondary hierarchy factors. Considerations regarding currency and influences of area of operations, settlement of operating expenses, and the funds from financing activities are assessed at each reporting date.

Management's judgment is that until a property reaches the development stage, costs related to the exploration and evaluation of a property are best estimated to be non-recoverable and are therefore expensed in the year in which they occur. Only real property is capitalized to the consolidated statement of financial position. Management annually assesses the carrying value of the capitalized assets for impairment.

The Company must make use of estimates in calculating the fair value of warrant issuances and share-based payments. Amounts recorded for warrants issuances and share-based payments are subject to the inputs used in the Black-Scholes option pricing model, including assumptions such as volatility, dividend yield, risk-free interest rates, forfeiture rate estimates, and expected warrant or option life. Forfeiture rate is determined based on actual historical forfeitures.

The fair values of derivative financial instruments that are not traded in an active market are determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Tax interpretations, regulations and legislation in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty.

By their nature, these estimates are subject to measurement uncertainty and the impact on the consolidated financial statements of future periods could be material.

5. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows:

Basis of consolidation

These consolidated financial statements include the accounts of CMX Gold & Silver Corp. and its wholly-owned subsidiary, CMX Gold & Silver (USA) Corp. A subsidiary is fully consolidated from the date on which control is obtained and is de-consolidated from the date that control ceases. All inter-company balances and transactions have been eliminated on consolidation.

Financial instruments

The Corporation records financial instrument in accordance with *IFRS 9 Financial Instruments*.

A financial asset is classified as fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost. Purchases and sales of financial assets are recorded on a settlement date basis.
All financial instruments are initially recorded at their fair value. After initial recognition, all investments are measured at fair value. All gains and losses arising from changes in fair value of the investments are presented in comprehensive loss within changes in unrealized depreciation/appreciation of investments in the period in which the gains and losses arise. The Corporation would only reclassify a financial asset when the Corporation changes its business model for managing the financial asset. All reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value. There has been no reclassification for the quarter ended December 31, 2021, or 2020.

i) Financial assets classified at fair value through profit and loss

Financial assets are classified as FVTPL if the asset is an equity investment, if the Corporation has not elected to classify the equity investment as FVOCI, or if the Corporation's business model for holding the investment is achieved other than by both collecting contractual cash flows and by selling the assets.

FVTPL assets are initially recorded at fair value with realized gains and losses on disposition and subsequent changes in fair value recorded in net income. Directly attributable transaction costs are reported in net income as incurred

ii) Non-derivative financial liabilities

Non-derivative financial liabilities are recognized initially on the date the Corporation becomes a party to the contractual obligations of the financial instrument. All non-derivative financial liabilities are recognized initially at fair value along with directly attributable transaction costs. Subsequent to initial measurement, non-derivative financial liabilities are measured at amortized cost using the effective interest rate method.

The following table presents the Corporation's classification of financial assets and financial liabilities as at December 31, 2021 and 2020:

Financial assets/ financial liability	**Classification**
Cash	FVTPL
Trade and other payable	Amortized cost
Subscription received	Amortized cost
Due to related parties	Amortized cost
Trade and other receivables	Amortized cost
Long-term debt	Amortized cost
Debentures	Amortized cost
Derivative financial instruments	FVTPL

Compound instruments

Convertible debentures are considered to be a compound instrument that can be converted into common shares of the Company at the option of the holder. The equity component of the instrument is recognized in contributed surplus and the fair value component is recognized as a liability. Subsequent to initial recognition interest is accrued using the effective interest method.

5. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Impairment of financial assets

The Company applies the simplified approach to providing for expected credit losses as prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade and other receivables. No change in measurement related to these items was recorded on the prior year comparative information, as there was no material impact.

Foreign exchange translations and transactions

For foreign entities whose functional currency is the Canadian dollar, the Company translates monetary assets and liabilities at period-end exchange rates and non-monetary items are translated at historical rates. Income and expense accounts are translated at the average rates in effect during the period. Gains or losses from changes in exchange rates are recognized in the consolidated statement of operations and comprehensive loss in the period of occurrence.

For foreign entities whose functional currency is not the Canadian dollar, the Company translates assets and liabilities at period-end rates and income and expense accounts at average exchange rates. Adjustments resulting from these translations are reflected in other comprehensive income as exchange difference on translating foreign operation.

Transactions of the Canadian entity in foreign currencies are translated at rates in effect at the time of the transaction. Foreign currency monetary assets and liabilities are translated at current rates. Gains or losses from the changes in exchange rates are recognized in the consolidated statement of operations and comprehensive loss in the period of occurrence. Foreign exchange gains or losses arising from a monetary item that is receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in accumulated other comprehensive income.

Cash and cash equivalents

The Company's cash and cash equivalents consists of balances with financial institutions with maturities of three months or less at the date of purchase.

Exploration and evaluation assets

Prospecting costs incurred prior to obtaining the rights to explore lands are expensed as incurred.

Costs of option acquisitions and exploration expenditures related to mineral properties are expensed in the year in which they occur.

Land purchases patented mineral claims and development costs are capitalized on property specific cash generating unit ("CGU") basis. Upon development of a commercially viable mineral property the related costs subject to an impairment test, will be transferred from exploration and evaluation to development and producing. Costs capitalized together with the costs of production equipment will be depleted on a unit of production basis, based on estimated proved reserves of minerals upon the commencement of production for each CGU.

Each reporting period, the Company assesses whether there is an indication that a CGU may be impaired. If any indication exists, the Company estimates the CGU's recoverable amount. A CGU's recoverable amount is the greater of fair value less costs of disposal and its value in use.

Fair value less costs of disposal is determined using discounted future net cash flows of proved and probable reserves using forecast prices and costs. Value in use is determined by estimating the present value of the future net cash flows expected to be derived from the continued use of the asset or CGU. When the carrying amount of a CGU exceeds its recoverable amount, the CGU will be considered impaired and written down to its recoverable amount.

Reversals of impairments are recognized when there has been a subsequent increase in the recoverable amount. In this event, the carrying amount of the asset or CGU is increased to its revised recoverable amount with an impairment reversal recognized in profit or loss. The recoverable amount is limited to the original carrying amount less depreciation, depletion and amortization as if no impairment had been recognized for the asset or CGU for prior periods.

5. SIGNIFICANT ACCOUNTING POLICIES, continued

Properties are abandoned either when the lease expires or when management determines that no further work will be performed on the property. In addition, if there has been a delay in development activity for several successive years, a write down of those project capitalized costs will be charged to operations. The Company derecognizes assets at the earlier of disposal, or when no future economic benefit is expected. Any gain or loss on derecognition is recognized in operations when incurred.

Share-based payments

The Company has a stock based compensation plan for employees and directors. Awards of options under the plan are expensed based on the fair value of the options at the grant date. Fair values are determined using the Black-Scholes option pricing model. Any consideration paid on the exercise of stock options will be credited to share capital plus the amounts originally recorded within other reserves.

Income taxes

Income tax is recognized in operations except to the extent that it relates to items recognized directly in equity, in which case, the income tax is recognized directly in equity. Current taxes for the current and prior periods are measured at the amount expected to be recoverable from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period.

The Company follows the liability method of accounting for deferred taxes. Under this method deferred taxes are recorded for the effect of any temporary difference between the accounting and income tax basis of an asset or liability.

Deferred tax is calculated using the enacted or substantively enacted income tax rates expected to apply when the assets are realized or liabilities are settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in the operations or in shareholders' equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. Deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Provisions

The Company will recognize the present value of estimated decommissioning liabilities when a reasonable estimate can be made. Decommissioning liabilities include those legal obligations where the Company will be required to retire tangible long-lived assets such as drilling sites, mine sites and facilities. The liabilities, equal to the initial estimated present value of the decommissioning liabilities, are capitalized as part of the cost of the related long-lived asset. Changes in the estimated obligation resulting from revisions to assumptions, estimated timing or amount of discounted cash flows will be recognized as a change in the decommissioning liabilities and the related costs.

Decommissioning costs will be amortized using the unit-of-production method. Increases in the decommissioning liabilities resulting from the passage of time will be recorded as accretion of decommissioning liabilities and will be charged to operations.

Actual expenditures incurred will be charged against accumulated obligations.

Warrants classified as equity

The Company has adopted the pro-rata basis method for the measurement of shares and warrants issued as private placement units. The pro-rata basis method requires that gross proceeds and related share issuance costs be allocated to the common shares and the warrants based on the relative fair value of the component.

The fair value of the common share is based on the closing price on the closing date of the transaction and the fair value of the warrant is determined using the Black–Scholes Option Pricing Model.

The fair value attributed to the warrant is recorded as warrant equity. If the warrant is exercised, the value attributed to the warrant is transferred to share capital. If the warrant expires unexercised, the value is reclassified to contributed surplus within equity. Warrants, issued as part of private placement units, that have their term of expiries extended, are not subsequently revalued.

5. SIGNIFICANT ACCOUNTING POLICIES, continued

The Company may modify the terms of warrants originally granted. When modifications exist, the Company will maintain the original fair value of the warrant.

Loss per share

Basic net loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. Diluted per share amounts are computed by giving effect to the potential dilution that would occur if stock options and warrants were exercised. The Company uses the treasury stock method to determine the dilutive effect of stock options and share purchase warrants. This method assumes that proceeds received from the exercise of in-the-money instruments are used to repurchase shares at the average market price for the year. In net loss per share situations, the dilutive per share amount is the same as that for basic, as all instruments are anti-dilutive.

6. EXPLORATION AND EVALUATION ASSETS

Total expenditures on exploration and evaluation properties capitalized:

Balance at December 31, 2019	$	670,885
Foreign exchange effect		(13,239)
Balance at December 31, 2020		657,646
Foreign exchange effect		(2,835)
Balance at December 31, 2021	$	654,811

In 2010, the Company purchased the Clayton Mine property consisting of 29 patented mineral claims and 2 patented mill sites located in the State of Idaho, USA. Pursuant to the purchase agreement, the Company issued 2,500,000 common shares at a price of US$0.10 per share and made a cash payment of US$250,000. In 2015, the Company staked 6 unpatented claims.

The following table shows exploration expenditures to date on the Clayton property. These expenditures are expensed in the year that they occur.

Exploration expenditures Clayton	– balance December 31, 2019	$	331,174
	– 2020 expenditures		4,728
	– balance December 31, 2020		335,902
	– 2021 expenditures		4,412
	Total expenditures to December 31, 2021	$	340,314

7. SUBSCRIPTIONS RECEIVED

During 2017, the Company received subscriptions for US$16,875 (CAN$20,916) under the Company's US Regulation A offering. The Regulation A offering expired without the issuance of common shares to the subscribers. The liability to the subscribers was assumed by a related party on November 12, 2021. During 2020, the Company received a subscription from a Canadian investor to purchase 200,000 units comprised of common shares and warrants for gross proceeds of $10,000. The units were issued on June 30, 2021.

8. DUE TO RELATED PARTIES

During the year ended December 31, 2021, the Company incurred management fees of $116,520 (2020 - $46,305) to a corporation controlled by the spouse of a director of the Company.

During the year ended December 31, 2021, the Company incurred management fees of $30,000 (2020 – $10,080) to the President of the Company.

During the year ended December 31, 2021, the Company incurred management fees of $55,963 (2020 - consulting fees of $23,595) to the Chief Financial Officer of the Company.

During the year ended December 31, 2021, the Company incurred consulting fees of $10,000 (2020 - $nil) to the Corporate Secretary of the Company.

During the year ended December 31, 2021, related parties made cash payments of $2,500, (2020 - received cash payments of $10,077.

8. DUE TO RELATED PARTIES

During the year ended December 31, 2021, $47,254 (2020 - $61,413) of related party interest was accrued and recorded to financing expenses. Related party debt bears an interest rate of 6% per annum and is due on demand.

During the year, related parties completed shares for debt settlements of $187,500 for 3,750,000 units at $0.05 per unit. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10.

During the year, related parties completed shares for debt settlements of $1,037,375 for 13,316,666 common shares at $0.075 per share (see note 9 and 10).

During the year, related parties completed private placements of $27,500 for 550,000 units at $0.05 per unit. Each unit consisted of one common share and one share purchase warrant exercisable at $0.10.

9. DEBENTURES

During the year, $8,972 of third party interest was accrued and recorded to financing expenses.

On November 19, 2021, certain debenture holders settled $398,758 in debentures and accrued interest in exchange for 5,316,773 common shares of the Company (see note 10).

The remaining debenture is due and payable as at the year end.

10. SHARE CAPITAL

Authorized

Common voting shares:
The common shares are entitled to dividends in such amounts as the Directors may from time to time declare and, in the event of liquidation, dissolution or winding-up of the Company, are entitled to share pro rata in the assets of the Company.

Series A voting preferred shares:
Non-cumulative annual dividend at 8% of the issued price
Convertible into two Common voting shares
Redeemable at the issue price

Series B voting preferred shares:
Non-cumulative annual dividend at 8% of the issued price
Convertible into two Common voting shares
Redeemable at a price of $10 per share

The preferred shares rank in priority to the common shares as to the payment of dividends and as to the distribution of assets in the event of liquidation, dissolution or winding-up of the Company. Preferred shares may also be given such other preference over the common shares as may be determined for any series authorized to be issued. There were no Series A or Series B voting preferred shares issued as at December 31, 2020 or December 31, 2021.

On June 22, 2020, the Alberta Securities Commission (ASC) and the Ontario Securities Commission (OSC) issued cease trade orders (CTO) for CMX's failure to file audited financial statements for the fiscal year ended December 31, 2019 and related continuous disclosure documents. On June 15, 2021, CMX was granted a partial revocation of the CTO issued by the ASC for the purpose of completing a private placement to raise capital to complete 2019 and 2020 audits of the Company's financial statements and to make all requisite regulatory filings. On June 30, 2021, CMX closed the private placement of 7,000,000 units at an issue price of $0.05 per unit, with each unit comprised of one common share and one common share purchase warrant exercisable at $0.10 per share expiring on June 30, 2023. The cash proceeds of the private placement were $200,000 for 4,000,000 units and $150,000 of debt was settled for 3,000,000 units. The fair value of the units was calculated at $0.045 and the Company recognized a gain of $15,000 on the settlement of the debt.

On October 4, 2021, the Alberta and Ontario Securities Commissions issued a revocation of their cease trade orders.

On November 19, 2021, the Company completed private placements for $90,000 cash proceeds and $83,500 of debt for 3,470,000 units at an issue price of $0.05 per unit, with each unit comprised of one common share and one common share purchase warrant exercisable at $0.10 per share expiring on November 19, 2023. The fair value of the units was calculated at $0.045 and the Company recognized a gain of $8,350 on the settlement of the debt.

10. SHARE CAPITAL, continued

On November 19, 2021, the Company completed private placements for $1,193,625 of debt for 15,915,000 shares issue at $0.075 per share. The fair value of the units was calculated at $0.045 and the Company recognized a gain of $477,450 on the settlement of the debt.

The total number of common shares outstanding as at December 31, 2021 is 62,690,724 (2020 – 36,305,724).

11. SHARE-BASED PAYMENTS

The total number of stock options granted according to the employee stock option plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting. The option price per share and vesting periods shall be determined by the Board of Directors at the time that the option is granted. The exercise prices are determined by the estimated market price on the date of the grant.

Options to purchase 500,000 shares at $0.105 per share expired unexercised on May 8, 2020.

Options to purchase 2,700,000 shares at $0.10 per share expired unexercised on December 3, 2020.

The Company had no options outstanding as at December 31, 2021 (see note 20).

12. WARRANTS

On January 11, 2020, 100,000 warrants exercisable at $0.20 per share expired.

On February 23, 2021, 2,050,000 warrants exercisable at $0.10 per share expired.

Warrants to purchase 7,000,000 common shares at $0.10 per share, having an expiration date of June 30, 2023, were issued as part of a private placement completed on June 30, 2021 (see note 10). These warrants have been valued at $114,784.

The Company estimated the fair value of the warrants using the Black-Scholes option pricing model with the following assumptions: a term of two years, a risk-free interest rate (per Bank of Canada) of 0.45% and volatility of 165%.

Warrants to purchase 3,470,000 common shares at $0.10 per share, having an expiration date of November 19, 2023, were issued as part of a private placement completed on November 19, 2021 (see note 10). These warrants have been valued at $53,007.

The Company estimated the fair value of the warrants using the Black-Scholes option pricing model with the following assumptions: a term of two years, a risk-free interest rate (per Bank of Canada) of 0.97% and volatility of 92%.

	Warrants Outstanding	Weighted Average Exercise Price - CAD
Balance, December 31, 2019	2,150,000	0.105
Expired warrants	(100,000)	0.20
Balance, December 31, 2020	2,050,000	$ 0.10
Expired warrants	(2,050,000)	$ 0.10
Warrants issued for cash	5,800,000	$ 0.10
Warrants issued for debt	4,670,000	$ 0.10
Balance, December 31, 2021	10,470,000	$ 0.10

Warrants Outstanding and Exercisable	Exercise Price CAD	Expiry Date
7,000,000	0.10	June 30, 2023
3,470,000	0.10	November 19, 2023
10,470,000		

Weighted average contractual life remaining of warrants at December 31, 2021 is 1.62 years.

13. CONTRIBUTED SURPLUS

Balance at December 31, 2019	1,052,797
Expired warrants (note 12)	3,475
Balance at December 31, 2020	$ 1,056,272
Expired warrants (note 12)	84,445
Balance at December 31, 2021	$ 1,140,717

14. SUPPLEMENTAL DISCLOSURES

Cash Flow Statement Presentation

The following table provides a detailed breakdown of certain line items contained within the cash flow from operating activities.

		2021		2020
Trade and other payables		58,361		48,359
Due to related parties		-		7,827
	$	58,361	$	56,186

15. SEGMENTED INFORMATION

The Company has the following geographical segments:

		Canada		United States		Total
				December 31, 2021		
Total assets	$	16,065	$	654,811	$	670,876
Exploration expenditures		-		4,412		4,412
				December 31, 2020		
Total assets	$	233	$	657,646	$	657,879
Exploration expenditures		-		4,727		4,727

16. INCOME TAXES

a) The tax provision differs from the amount which would be obtained by applying the combined Canadian federal and provincial statutory income tax rate to the loss as follows:

		2021		2020
Income (Loss) for the year before income taxes	$	139,007	$	(208,654)
Canadian statutory rate		23%		23.99%
Anticipated income tax expense (recovery)	$	31,972	$	(50,056)
US tax rate differential		(62)		(120)
Change in deferred tax asset not recognized		(31,910)		48,480
Deferred tax recovery	$	-	$	-

b) The Company's deferred tax assets (liabilities) are as follows:

		2021		2020
Convertible debentures	$	150	$	150
Non-capital losses		(150)		(150)
Deferred tax asset	$	-	$	-

c) Other than as set out below, the Company does not have any other tax assets available for future use as deductions from taxable income.

The components of the deferred tax balances in Canada are as follows:

		2021	2020
Non-capital loss carryforwards	$	3,938,768	$4,080,700
Allowable capital loss carryforwards		5,142,236	5,142,236
Exploration and evaluation assets		293,359	293,359
Unrecognized deductible temporary differences	$	9,374,363	$9,516,295

The components of the deferred tax balances in the United States are as follows:

		2021		2020
Net operating loss carryforwards	US$	24,638	US$	22,847

16. INCOME TAXES, continued

d) The Company has not recognized a deferred tax asset in respect of non-capital loss carry-forwards ($3,939,422) which can be applied to reduce future years' taxable income in Canada. These losses expire as follows:

2026	$ -
2027	-
2028	-
2029	56,236
2030	448,824
2031	299,594
2032	775,149
2033	245,451
2034	283,456
2035	348,526
2036	346,250
2037	275,520
2038	628
2039	293,567
2040	191,701
2041	374,520
	$ 3,939,422

For income tax purposes for the United States, the Company has net operating loss carry-forwards of US $15,738 that expire between 2033 and 2039, losses of US$11,929 have no expiry date.

17. FINANCIAL INSTRUMENTS

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company's financial instruments that are carried in the consolidated financial statements.

Fair value represents the price at which a financial instrument could be exchanged for in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

Fair value of financial instruments	Carrying value	December 31, 2021 Fair value	Carrying value	December 31, 2020 Fair value
Financial assets				
Cash and cash equivalents	$ 16,065	$ 16,065	$ 233	$ 233
	$ 16,065	$ 16,065	$ 233	$ 233
Financial liabilities				
Trade and other payables	$ 58,223	$ 58,223	$ 214,960	$ 214,960
Subscriptions received	-	-	31,486	31,486
Due to related parties	97,842	97,842	868,683	868,683
Debentures – related parties	14,162	14,162	255,821	255,821
Debentures – non-related parties	-	-	139,172	139,172
	$ 170,227	$ 170,227	$ 1,510,122	$ 1,510,122

The carrying value of cash and cash equivalents, and financial liabilities approximate its fair value due to their short-term nature.

The Company is required to classify fair value measurements using a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follow:

- Level 1 – quoted prices in active markets for identical assets or liabilities; and
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3 - inputs that are unobservable and significant to the overall fair value measurement.

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

17. FINANCIAL INSTRUMENTS, continued

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

a) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash is held with reputable chartered banks from which management believes the risk of loss is minimal. Management believes that the credit risk concentration with respect to financial instruments is minimal. The maximum credit risk exposure associated with the Company's financial assets is the carrying value.

b) Liquidity risk

Liquidity risk is that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient resources to meet liabilities when due. As at December 31, 2021, the Company had a net working capital deficiency of $154,162 (2020 - $1,509,889). Management is continuously monitoring its working capital position and will raise funds through the equity markets as required. However, there is no certainty that the Company will be able to obtain funding by share issuances in the future. The Company is presently seeking to raise capital through an equity financing (see note 2).

The following amounts are the contractual maturities of financial liabilities and other commitments as at December 31, 2021:

	Total	1 year	2 – 5 years
Trade and other payables	$ 58,223	$ 58,223	$ -
Due to related parties	97,842	97,842	-
Debentures – related parties	14,162	14,162	-
	$ 170,227	$ 170,227	$ -

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

When the Company has cash balances its policy is to invest excess cash in investment-grade short-term money market accounts. The Company will periodically monitor the investments it makes to ensure the credit worthiness of its investments. Fluctuations in interest rates do not materially affect the Company as the interest is at a fixed rate.

ii. Foreign currency risk

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

Foreign currency risk could adversely affect the Company, in particular the Company'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 Company currently has minimal foreign currency risk although in the future foreign currency risk may affect the level of operations of the Company. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

As the Company currently holds minimal US currency a change in the exchange rate between the US dollar and the Canadian dollar would not have a significant effect on the Company liquidity or working capital. The Company is exposed to currency risk as its the functional currency of its subsidiary is US dollars.

18. CAPITAL MANAGEMENT

The Company's objectives in managing its capital are:

i) To have sufficient capital to ensure that the Company 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 Company's capital structure is comprised of shareholders' equity.

The Company is an exploration stage company which involves a high degree of risk. The Company has not determined whether its properties contain economically recoverable reserves of ore and currently does not earn any revenue from its mineral properties and therefore does not generate cash flow from operations. The Company's primary source of funds will come from the issuance of share capital. The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank sponsored instruments.

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the Company. The Company is not subject to externally imposed capital requirements. There have been no changes in the Company's capital management in the current year.

19. COMMITMENTS

The Company currently has the following yearly commitments:

Clayton property: US$2,170 for property taxes and claims fees

These commitments will change if the Company acquires other property or completes further claim staking.

20. SUBSEQUENT EVENTS

On January 25, 2022, the Company issued 5,300,000 options to purchase common shares at an exercise price of $0.10 per share. The options are granted under the Company's stock option plan. The 5,300,000 options vest one-third on the agreement date and one-third on each of the first and second anniversaries of the date of grant. The options have a five-year term and expire January 25, 2027, or earlier under certain circumstances.

Subsequent to the year end, the Company received subscriptions for $109,800 with respect to an offering of up to 4,000,000 units at $0.09, each unit consisting of one common share and a half share purchase. One warrant is exercisable at $0.18 per share.