



CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

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, 2025 and December 31, 2024, and the consolidated statements of loss and other comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

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, 2025, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

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 IFRS® Accounting 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Calgary, Alberta

April 17, 2026

MNP LLP

Chartered Professional Accountants

CMX GOLD & SILVER CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31,	2025	2024
ASSETS		
Current		
Cash	\$ 17,063	\$ 1,135
Accounts receivable	6,254	885
Prepaid expenses	23,176	-
	46,493	2,020
Exploration and evaluation (note 6)	704,443	739,513
Total assets	\$ 750,936	\$ 741,533
LIABILITIES		
Current		
Trade and other payables	\$ 171,483	\$ 135,132
Due to related parties (note 7)	351,357	438,905
Income taxes payable	1,820	2,240
	524,660	576,277
Debentures to related parties (notes 7 and 8)	113,181	-
Debentures to third parties (note 8)	95,700	-
Total liabilities	733,541	576,277
SHAREHOLDERS' EQUITY		
Share capital (note 9)	6,280,986	5,743,678
Warrants (note 11)	218,057	231,995
Contributed surplus (note 12)	1,396,214	1,384,671
Accumulated other comprehensive income	185,474	218,498
Deficit	(8,063,336)	(7,413,586)
Total shareholders' equity	17,395	165,256
Total liabilities and shareholders' equity	\$ 750,936	\$ 741,533

Going concern (note 2)
Commitments (note 18)
Subsequent events (note 19)

Approved on behalf of the Board of Directors

/s/ "John A. Niedermaier"

/s/ "Jan M. Alston"

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

CMX GOLD & SILVER CORP.
CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS

For the years ended December 31,	2025	2024
Expenses		
Management fees (note 7)	\$ 224,970	\$ 181,033
Share-based compensation expense (note 10)	163,818	2,964
Mineral property expenditures (note 6)	73,886	12,968
Professional fees	48,717	48,942
Shareholder reporting and investor communications	34,827	30,656
General and administrative	26,581	11,497
Listing and filing fees	22,988	20,595
Loss on foreign exchange	39	603
	<u>595,826</u>	<u>309,258</u>
Loss before other expense	(595,826)	(309,258)
Other expenses		
Related party interest (note 7 and 8)	(39,353)	(23,636)
Third party debenture and loan interest (note 8)	(12,079)	-
Bank charges and other interest	(5,977)	(7,276)
Loss on debt extinguishment (note 8)	(4,310)	-
	<u>(657,545)</u>	<u>(340,170)</u>
Net loss before income tax	(657,545)	(340,170)
Deferred tax recovery (note 15)	7,795	-
Net loss for the year	(649,750)	(340,170)
Other comprehensive income (loss)		
Items that may be reclassified subsequently to net income or loss		
Exchange difference on translating foreign operation	(33,024)	58,056
Total loss and comprehensive loss for the year	\$ (682,774)	\$ (282,114)
Basic and diluted loss per share		
	\$ (0.0092)	\$ (0.0049)
Weighted average number of shares outstanding – basic and diluted		
	71,674,306	69,889,375

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

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

	Issued share capital		Warrants	Contributed Surplus	Accumulated other comprehensive income	Deficit	Total
	#	\$					
Balance December 31, 2023	69,886,224	\$ 5,623,210	\$ 231,995	\$ 1,387,175	\$ 160,442	\$ (7,073,416)	\$ 329,406
Share-based compensation expense (note 10)	-	-	-	2,964	-	-	2,964
Shares issued for settlement of debt (note 9)	1,000,000	100,000	-	-	-	-	100,000
Exercise of options (notes 9 and 10)	150,000	20,468	-	(5,468)	-	-	15,000
Net loss for the year	-	-	-	-	-	(340,170)	(340,170)
Exchange difference on translating foreign operation	-	-	-	-	58,056	-	58,056
Balance December 31, 2024	71,036,224	\$ 5,743,678	\$ 231,995	\$ 1,384,671	\$ 218,498	\$ (7,413,586)	\$ 165,256
Share-based compensation expense (note 10)	-	-	-	163,818	-	-	163,818
Exercise of options (notes 9 and 10)	2,600,000	438,370	-	(178,370)	-	-	260,000
Exercise of warrants (notes 9 and 11)	850,000	98,938	(13,938)	-	-	-	85,000
Equity portion of convertible debentures, net of tax (note 8)	-	-	-	26,095	-	-	26,095
Net loss for the period	-	-	-	-	-	(649,750)	(649,750)
Exchange difference on translating foreign operation	-	-	-	-	(33,024)	-	(33,024)
Balance December 31, 2025	74,486,224	\$ 6,280,986	\$ 218,057	\$ 1,396,214	\$ 185,474	\$ (8,063,336)	\$ 17,395

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

CMX GOLD & SILVER CORP
CONSOLIDATED STATEMENTS OF CASH FLOWS.

For the year ended December 31,	2025	2024
Cash flow used in operating activities		
Net loss	\$ (649,750)	\$ (340,170)
Items not affecting cash		
Deferred tax recovery (note 15)	(7,795)	-
Share-based compensation (note 10)	163,818	2,964
Management fees (note 7)	224,970	180,521
General and administrative	4,000	3,045
Related party interest and accretion (note 7 and 8)	40,057	23,636
Non-related party debenture and loan interest and accretion (note 8)	11,375	-
Loss on debt extinguishment	4,310	-
Loss on foreign exchange	-	603
Changes in non-cash working capital items (note 13)	8,372	88,349
Net change in cash	(200,643)	(41,052)
Cash flows generated from financing activities		
Related party debenture (notes 7 and 8)	40,000	-
Third party debenture (note 8)	65,317	-
Exercise of warrants (note 11)	5,000	-
Cash payments from related parties (note 7)	106,254	40,550
	216,571	40,550
Net change in cash	15,928	(502)
Cash, beginning of year	1,135	1,637
Cash, end of year	\$ 17,063	\$ 1,135

Significant non-cash transactions:

- Issuance of shares, exercise of options and warrants through settlement of accounts payable - \$325,000 (2024 - \$120,468)
- Issuance of convertible debenture through settlement of accounts payable - \$151,683 (2024 - Nil)

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

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

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 and 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

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, 2025, the Company incurred a net loss of \$649,750. As a result of the recurring losses over the Company's history, the Company has an accumulated deficit of \$8,063,336 as at December 31, 2025. At December 31, 2025, the Company had a net working capital deficiency of \$478,167. The Company currently does not have the necessary financing in place to support continuing losses. The Company plans to continue 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.

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

3. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements (“Financial Statements”) have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee.

Approval of consolidated financial statements

These consolidated financial statements were authorized for issuance on April 17, 2026 by the directors of the Company.

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.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

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.

New accounting policies

There are new accounting standards and amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2026, that have not been applied in preparing the financial statements for the year ended December 31, 2025. Except as disclosed below, these standards and interpretations are not expected to have a material impact on the Company's financial statements.

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1. IFRS 18 applies to annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements; and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. The Company is currently assessing the impact and efforts related to adopting IFRS 18.

On May 30, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments. These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). These amendments apply to annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The Company is currently assessing the impact and efforts related to the amendments to IFRS 9 and IFRS 7.

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

4. CRITICAL 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 year. 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 month 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. Management has determined that there are no indicators of impairment of the exploration and evaluation assets, which have been recognized on the statements of financial position. Management uses several criteria in its assessments of whether or not impairment indicators exist as outlined in IFRS 6, which includes whether the period for which the Company has the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed, whether substantive expenditure on further exploration is neither budgeted nor planned, and other factors such as exploration results, metal prices, project economics, financing prospects and sale or option prospects.

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.

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. MATERIAL ACCOUNTING POLICIES

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

Financial instruments

The Corporation records financial instruments 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. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The measurement and classification of financial assets is dependent on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred.

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

All financial instruments are initially recorded at their fair value. 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 years ended December 31, 2025, or 2024.

i) Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value, and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit and loss in the period in which they arise.

ii) Financial assets at FVOCI

Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. Gains or losses on financial assets classified as FVOCI remain within accumulated other comprehensive income following the derecognition of the investment. The Company does not have any financial assets within this category.

iii) Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. Gains and losses on derecognition of financial assets classified at amortized cost are recognized in profit or loss. The Company classifies cash and cash equivalents and accounts and other receivables as financial assets measured at amortized cost.

iv) 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, 2025 and 2024:

Financial assets/ financial liability	Classification
Cash	Amortized cost
Accounts receivables	Amortized cost
Trade and other payables	Amortized cost
Debentures to third parties	Amortized cost
Due to related parties	Amortized cost

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 rate method.

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.

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

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

Cash and cash equivalents with original maturities of 90 days or less, is comprised of cash on deposit at a Canadian financial institution.

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 of 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.

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 statement of loss and comprehensive loss. 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 statement of loss and comprehensive loss when incurred.

Share-based compensation

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.

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

Income taxes

Income tax is recognized in statement of loss and comprehensive loss 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 statement of loss and comprehensive loss or in statement of changes in 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.

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 period. 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 period. In net loss per share situations, the dilutive per share amount is the same as that for basic, as all instruments are anti-dilutive.

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

6. EXPLORATION AND EVALUATION ASSETS

Total expenditures on exploration and evaluation properties capitalized:

Balance at December 31, 2023	\$ 679,753
Foreign exchange effect	59,760
Balance at December 31, 2024	\$ 739,513
Foreign exchange effect	(35,070)
Balance at December 31, 2025	\$ 704,443

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

Mineral property expenditures Clayton	– balance December 31, 2023	\$ 501,523
	– 2024 –claim payments	8,956
	– geology expenses	1,434
	– miscellaneous expenses	2,578
	– balance December 31, 2024	514,491
	– 2025 –claim payments	9,763
	– maintenance and miscellaneous expenses	64,123
	Total expenditures to December 31, 2025	\$ 588,377

In accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources, the Company performed an assessment of indicators of impairment for its exploration and evaluation assets as at December 31, 2025. This assessment considered, among other factors, the status of exploration rights, planned exploration activities, and conditions specific to the properties and the industry.

Based on this assessment, no indicators of impairment were identified, and accordingly, no impairment testing was required during the year ended December 31, 2025.

7. DUE TO RELATED PARTIES

During the year ended December 31, 2025, the Company incurred management fees of \$119,880 (2024 – \$95,940) to a corporation controlled by the spouse of a director of the Company.

During the year ended December 31, 2025, the Company incurred management fees of \$24,885 (2024 – \$19,800) to the President of the Company.

During the year ended December 31, 2025, the Company incurred management fees of \$75,205 (2024 – \$65,293) to the Chief Financial Officer of the Company.

During the year ended December 31, 2025, the Company incurred consulting fees of \$5,000 (2024 - \$nil) to the Corporate Secretary of the Company.

During the year ended December 31, 2025, the Company incurred consulting fees of \$4,000 (2024 – \$3,045) to the spouse of the President of the Company.

Any unpaid fees are included in due to related parties.

During the year ended December 31, 2025, related parties made cash advances of \$106,254 and received cash payments of \$57,000 (2024 – related parties made cash advances of \$40,550). Cash advances to the Company were treated as loans, cash payments were applied against due to related parties and accounts payable.

During the year ended December 31, 2025, \$23,846 (2024 - \$23,636) of related party loan interest was accrued and recorded to financing expenses. Related party accounts payable bear an interest rate of 6% or 8% per annum and are due on demand (see also note 8).

During the year ended December 31, 2025, related parties exercised options resulting in the issuance of 2,000,000 shares in settlement of \$200,000 in debt (see note 8 and 9).

During the year ended December 31, 2025, related parties exercised warrants resulting in the issuance of 800,000 shares in settlement of \$80,000 in debt (see note 9).

During the year ended December 31, 2024, related parties completed private placements for \$100,000 with the issuance of 1,000,000 shares at \$0.10 per share (see note 9).

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

8. CONVERTIBLE DEBENTURES

Effective March 31, 2025, the Company issued \$257,000 in convertible debentures. The debentures are convertible at \$0.125 per share and due March 31, 2027. The debentures bear interest at 10% per annum with interest payable semi-annually.

The debentures were issued for \$105,317 cash and \$151,683 in settlement of debt. A total of \$157,500 of the debentures were issued to related parties.

Convertible debentures are a compound financial instrument. The fair value of the liability component was calculated at \$223,110 utilizing a 16.83% market interest rate. The residual balance of \$33,890 represented the equity component of the debenture and was recorded in contributed surplus net of tax. During the year ended December 31, 2025, the Company recognized an accretion expense of \$7,821 (2024 – nil) which was recorded to financing expenses.

On October 7, 2025, the Company extinguished \$45,000 in related party debentures with the holders of the debentures agreeing to the exercise of options resulting in the issuance of 450,000 shares (see notes 7 and 9).

The extinguishment of the debentures resulted in a loss on extinguishment of \$4,310 recorded to other expense.

During the year ended December 31, 2025, \$11,018 (2024 – nil) of related party debenture interest and \$7,622 (2024 – nil) of non-related party debenture interest was accrued and recorded to other expenses.

9. 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, 2024 or 2025.

On October 7, 2025, the Company issued 2,600,000 shares for settlement of \$260,000 in debt with the exercise of options.

On December 17, 2025, the Company issued 800,000 shares for settlement of \$80,000 in debt with the exercise of warrants.

On December 17, 2025, the Company issued 50,000 shares for net proceeds of \$5,000 with the exercise of warrants.

On December 31, 2024, the Company issued 1,000,000 shares for settlement of \$100,000 in debt.

On December 31, 2024, the Company issued 150,000 shares for settlement of \$15,000 in debt with the exercise of options.

The total number of common shares outstanding as at December 31, 2025, is 74,486,224 (2024 – 71,036,224).

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

10. SHARE-BASED PAYMENTS

The total number of stock options granted under the employee stock option plan may not exceed 10% of the issued and outstanding shares of the Company on the date of grant. 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.

Share-based payments expense with respect to stock options is estimated using the following assumptions: The expected volatility assumption was determined through the comparison of historical share price volatilities of the Company. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common shares.

On October 7, 2025, 2,600,000 options were exercised by offsetting debt of \$260,000.

On October 8, 2025, the Company granted options to purchase 300,000 shares at \$0.10 per share, with an average fair value of \$0.05 per share. The options vest one-half on October 9, 2025 (the agreement date) and one-half on the next anniversary of the grant date. The options expire on October 9, 2027.

On October 8, 2025, the Company granted options to purchase 500,000 shares at \$0.10 per share, with an average fair value of \$0.05 per share. The options vest one-half on October 9, 2025 (the agreement date) and one-half on the next anniversary of the grant date. The options expire on October 9, 2028.

On October 8, 2025, the Company granted options to purchase 3,775,000 shares at \$0.10 per share, with an average fair value of \$0.065 per share. The options vest one-third on October 9, 2025 (the agreement date) and one-third on each of the next anniversary of the grant dates. The options expire on October 9, 2030.

On December 17, 2025, the Company granted options to purchase 400,000 shares at \$0.17 per share, with an average fair value of \$0.12 per share. The options vest one-half on December 17, 2025 (the agreement date) and one-half on the next anniversary date of grant. The options expire on December 17, 2028. A total of \$163,818 (2024 - \$2,964) was recognized in fair value of options vesting during the year ended December 31, 2025.

On December 31, 2024, 150,000 options were exercised by offsetting debt of \$15,000.

	Options Outstanding	Weighted Average Exercise Price - CAD
Balance, December 31, 2023	5,508,500	\$ 0.10
Options exercised for debt	(150,000)	\$ 0.10
Balance, December 31, 2024	5,358,500	
Options expired	(700,000)	\$ 0.10
Options exercised	(2,600,000)	\$ 0.10
Options granted	4,575,000	\$ 0.10
Options granted	400,000	\$ 0.17
Balance, December 31, 2025	7,033,500	\$ 0.104

Exercise price (per option)	Number of options outstanding	Number of options exercisable	Weighted average exercise price (per option)	Year of expiry	Weighted average remaining contractual life
\$0.10	2,058,500	2,058,500	\$0.10	2027	1.07 years
\$0.10	3,775,000	1,258,333	\$0.10	2030	4.77 years
\$0.10	250,000	125,000	\$0.10	2028	2.77 years
\$0.10	250,000	125,000	\$0.10	2026	0.93 years
\$0.10	300,000	150,000	\$0.10	2027	1.77 years
\$0.17	400,000	200,000	\$0.17	2028	2.96 years

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

11. WARRANTS

On March 20, 2025, the Company extended the expiry date of warrants as follows: 6,700,000 exercisable at \$0.10 per share extended to June 30, 2026; 3,470,000 exercisable at \$0.10 per share extended to November 19, 2026; 1,430,000 exercisable at \$0.18 per share extended to July 14, 2027; 1,972,000 exercisable at \$0.18 per share extended to September 16, 2027.

On December 17, 2025, warrants to purchase 850,000 shares at an exercise price of \$0.10 were exercised (see note 9).

	Warrants Outstanding	Weighted Average Exercise Price - CAD
Balance, December 31, 2023 and 2024	13,572,000	\$ 0.12
Warrants exercised	(850,000)	\$ 0.10
Balance, December 31, 2025	12,722,000	\$ 0.12

Warrants Outstanding and Exercisable	Exercise Price CAD	Expiry Date
6,250,000	0.10	June 30, 2026
3,070,000	0.10	November 19, 2026
1,430,000	0.18	July 14, 2027
1,972,000	0.18	September 16, 2027
12,722,000		

Weighted average contractual life remaining of warrants at December 31, 2025, is 0.9 years (2024 – 1.12 years).

12. CONTRIBUTED SURPLUS

Balance at December 31, 2023	\$	1,387,175
Compensation expense (note 10)		2,964
Exercise of options (note 9 and 10)		(5,468)
Balance at December 31, 2024	\$	1,384,671
Equity portion of convertible debentures (note 8)		33,890
Deferred tax recovery		(7,795)
Exercise of stock options (note 9 and 10)		(178,370)
Compensation expense (note 10)		163,818
Balance at December 31, 2025	\$	1,396,214

13. 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.

For the year ended December 31,	2025	2024
Accounts receivable	\$ (5,369)	\$ (885)
Prepaid expenses	(21,589)	-
Trade and other payables	55,398	\$ 49,625
Due to related parties	(20,068)	39,609
	\$ 8,372	\$ 88,349

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

14. SEGMENTED INFORMATION

The Company has the following geographical segments:

	Canada	United States	Total
December 31, 2025			
Total assets	\$ 46,493	\$ 704,443	\$ 750,936
Mineral property expenditures	-	73,886	73,886
December 31, 2024			
Total assets	\$ 2,020	\$ 739,513	\$ 741,533
Mineral property expenditures	-	12,968	12,968

15. 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:

	2025	2024
Loss for the year before income taxes	\$ (657,545)	\$ (340,170)
Canadian statutory rate	23%	23%
Anticipated income tax recovery	\$ (151,235)	\$ (78,239)
US tax rate differential	(1,865)	(650)
Share based payments and non-deductible expenses	38,023	864
Change in deferred tax asset not recognized	107,282	78,025
Deferred tax recovery	\$ (7,795)	\$ -

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

	2025	2024
Convertible debentures	\$ (5,996)	\$ -
Non-capital losses	5,996	-
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:

	2025	2024
Non-capital loss carryforwards	\$ 5,596,657	\$ 5,217,258
Capital loss carryforwards	8,700,608	8,700,608
Exploration and evaluation assets	293,359	293,359
Unrecognized deductible temporary differences	\$ 14,590,624	\$ 14,211,225

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

	2025	2024
Net operating loss carryforwards	US\$ 153,044	US\$ 99,654

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

- d) The Company has not recognized a deferred tax asset in respect of non-capital loss carry-forwards (\$5,217,258) which can be applied to reduce future years' taxable income in Canada. These losses expire as follows:

2028	107,993
2029	173,002
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	339,234
2042	416,176
2043	322,769
2044	323,350
2045	405,467
	\$ 5,596,657

For income tax purposes for the United States, the Company has net operating loss carry-forwards of \$209,762 (\$153,044 USD) that have no expiry date.

16. FINANCIAL INSTRUMENTS

At December 31, 2025 and 2024, the fair values of cash, accounts receivable, trade and other payables and due to related parties approximate their carrying values given the expected short-term to maturity of these instruments. The fair value of the convertible debentures is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

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

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 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, 2025, the Company had a net working capital deficiency of \$478,167 (2024 – \$574,257). 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 equity financing (see note 2).

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

The following amounts are the contractual maturities of financial liabilities and other commitments as at December 31, 2025:

	Total	1 year	2 – 5 years
Trade and other payables	\$ 171,483	\$ 171,483	\$ -
Due to related parties	351,357	351,357	-
Income tax payable	1,820	1,820	-
Related party debentures	124,199	11,018	113,181
Non-related party debentures	103,322	7,622	95,700
	<u>\$ 752,181</u>	<u>\$ 543,300</u>	<u>\$ 208,881</u>

The following amounts were the contractual maturities of financial liabilities and other commitments as at December 31, 2024:

	Total	1 year	2 – 5 years
Trade and other payables	\$ 152,005	\$ 152,005	\$ -
Due to related parties	422,032	422,032	-
Income tax payable	2,240	2,240	-
	<u>\$ 576,277</u>	<u>\$ 576,277</u>	<u>\$ -</u>

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 creditworthiness 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.

17. 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.

CMX GOLD & SILVER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

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.

18. COMMITMENTS

The Company currently has the following yearly commitments:

Clayton property: US\$6,615 for property taxes and claims fees.

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

19. SUBSEQUENT EVENTS

The Company had the following subsequent events:

On April 1, 2026, the Company issued 1,800,000 shares for proceeds of \$180,000 with the exercise of warrants.

On April 1, 2026, the Company issued 1,520,000 shares for settlement of \$152,000 in debt with the exercise of warrants.

On April 1, 2026, the company issued 1,520,000 shares with respect to the conversion of \$190,000 of convertible debentures.