

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **CMX GOLD & SILVER CORP.** (the "Issuer").

Trading Symbol: **CXC**

Number of Outstanding Listed Securities: **65,550,724**

Date: **August 6, 2022**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Issuer Closes First Tranche of \$0.09 Units Offering

On July 14, 2022, the Issuer completed the first tranche of the non-brokered private placement (the "Offering") described in its news release of June 1, 2022. The Issuer issued an aggregate of 2,860,000 units (the "Units") at a price of CAD \$0.09 per Unit for gross proceeds of CAD \$257,400. Each Unit consists of one common share in the capital of the Issuer (a "Share") and one-half of one non-transferable common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each whole Warrant is

exercisable to acquire one Share at an exercise price of CAD \$0.18 per Share until July 14, 2024 which is 24 months from the date of issuance. The securities issued under the Offering, and any Shares that may be issuable on exercise of any such securities, will be subject to a statutory hold period expiring four months and one day from the date of issuance of such securities.

The proceeds of the Offering will be used for work programs on the Issuer's Clayton Silver Project in Idaho, USA, including planning and site preparation for future drilling programs and for general working capital purposes.

Reinstatement of Trading on the OTC Pink Market

The Issuer filed documentation with FINRA in the United States for reinstatement of trading on the OTC Pink Market. FINRA has granted approval of the quotation of the Issuer's shares on the OTC Pink Market. Obtaining DTC Eligibility for the Issuer's shares is in process, which is DTC's electronic bookkeeping system for deposit and transfer of shares in the U.S. This is a prerequisite for brokerage firms to trade the Issuer's shares in the United States. Management considers that the OTC Pink listing will provide important exposure for the Issuer to investors in the USA, especially because the Clayton Silver Property is located in the State of Idaho. The Issuer expects to receive DTC-Eligibility approval in August 2022.

2. Provide a general overview and discussion of the activities of management.

Change of Transfer Agent

The Issuer appointed Olympia Trust Company as its new Registrar and Transfer Agent effective May 19, 2022.

Status of Clayton Project and Plans

The Issuer's 100%-owned Clayton Silver Property is located in the mining-friendly State of Idaho, USA. The property comprises approximately 684 acres in Custer County in south-central Idaho, including the former Clayton silver-lead-zinc mine. The Clayton Mine was developed on eight levels to a depth of 1,100 feet below surface and is comprised of approximately 19,690 feet of underground development. Two major ore bodies were partially mined: the "South Ore Body" and the "North Ore Body".

The recorded production from the Clayton Mine included 7,031,110 oz silver, 86,771,527 lbs lead, 28,172,211 lbs zinc, 1,664,177 lbs copper, and minor amounts of gold from an estimated 2,145,652 tonnes of ore mined between 1934 and 1985. Very little exploration has been carried out previously on the Clayton Silver Property. Significant potential is demonstrated in hole 1501-A, drilled in the mid-1960's, which penetrated the mineralized zone at 1,425 feet. At that depth, the hole intercepted 22 feet of 4.07 oz Ag/t, 5.75% lead and 5.37% zinc (note: true width is unknown).

The Issuer will commence work programs this year and extending over the next several years to assess the resource potential within the structures related to the previously mined sections and to expand the search to determine the potential for other mineralized zones in adjacent structures. This will entail detailed geophysical work and multiple drill programs. The Issuer has concluded that very little geophysics was done on the property historically.

The Issuer plans to commence the first program during the second half of 2022 with geophysical work to pinpoint drill locations for immediate follow-up drilling within the known mineralized systems identified and referred to as the South and North Ore Bodies in the old mine workings.

The Issuer requires substantial funding to complete the programs on the Clayton property and has put together plans for the initial funding of the project. The Issuer anticipates obtaining the initial funding in the third quarter of 2022.

Mine Stockpile Exploitation Potential

In May 2022, the Issuer signed an agreement with Sulphide Remediation Inc. ("SRI") (<https://www.sulphide-remediation.com/>), an affiliate of ABH Engineering Inc. of Surrey, B.C., a firm specializing in mineral processing (<https://www.abhengineeringinc.com/>). SRI utilizes precision ore sorting technology to high-grade mine stockpiles of unprocessed rock to enhance the grade of material delivered to a toll mill. Dual Energy X-Ray Transmission technologies differentiate between rocks based on small fluctuations in density profiles and are effective at removing sulphides and concentrating valuable metals. The sorted rock can be treated at existing mills/smelters where valuable metals will be extracted and sulphides will be safely handled. SRI has some of the world's leading experts in crushing, screening and ore sorting.

Pursuant to the agreement with the Issuer, SRI will take samples from the Clayton stockpile with no upfront cost to the Issuer. The samples will be shipped to a laboratory for analysis and process testing. The testing program will inform SRI as to the best ore sorting process for the Company's stockpile.

The Issuer's historic Clayton Silver Mine stockpile is estimated to contain greater than 500,000 tonnes of metal-bearing rock. In the 2014 evaluation program, over 3,000 kilograms of sample material were collected from test locations selected to ensure representative results. Analysis of the samples confirmed the presence of gold in each sample. In particular, assays confirmed gold values up to 2.84 gm/t with an average of 0.80 gm/t for the 16 locations comprised of the initial suite of samples. Statistical averages of the 16 locations of the mine stockpile sampling program were: gold – 0.80 gms/t; silver – 24.31 gms/t; lead – 0.44%; zinc – 0.27%.

Subject to positive results from analysis of the samples taken from the stockpile and confirmation of suitability of the material for the ore sorting process, SRI at its cost will construct and deliver an optimal ore sorting system to the Clayton Mine site. The system will be capable of processing from 3,000 tonnes to 4,000 tonnes per day. SRI will manage all aspects of the stockpile processing program. After deducting operating expenses from the revenue received for the processed stockpile material from the toll mill or smelter, the net profits will be shared 50:50 between the Issuer and SRI.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None, not applicable.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None, not applicable.

8. Describe the acquisition of new customers or loss of customers.

Not applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable.

10. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.

None, not applicable.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None, not applicable.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None, not applicable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

In July 2022, the Issuer incurred management fees of approximately \$8,900 and paid \$16,000 of accrued fees to a management company owned by the spouse of an officer for the services of the President and CEO. In July 2022, the Issuer incurred management fees to the CFO of approximately \$3,700.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	2,860,000	\$0.09 per Unit. Each Unit consists of one Common Share and	\$257,400 to be used for Clayton Silver Project and working capital.

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		one-half of one non-transferable common share purchase warrant.	
Warrants	1,430,000	Exercisable at \$0.18 per share until July 14, 2024.	N/A

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

At July 31, 2022, the Issuer owed to a management company owned by the spouse of an officer approximately \$20,500 for unpaid fees for the services of the President & CEO. At July 31, 2022, the Issuer owed to the CFO approximately \$44,900 for unpaid fees. All of the aforesaid amounts are current liabilities of the Issuer and bear interest at a rate of 6% per annum.

At July 31, 2022, the Issuer owed approximately \$14,900, including accrued interest to a director for a loan. The aforesaid amount is a current liability of the Issuer and bears interest at a rate of 6% per annum.

At July 31, 2022, the Issuer owed approximately \$61,300, including interest, to a private company of which a senior officer is a director for loans made to the Issuer. This loan is on demand and bears interest at a rate of 6% per annum.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Many market observers have suggested that the precious metals markets bottomed in the second half of 2018. In 2020 prices for silver and gold started increasing, and the Issuer expects commodity prices to continue to increase over the next several years for the following reasons: 1) historical reduced capital investment will lead to flat or falling production, which for some metals has already begun, creating supply-chain challenges; 2) expansion of production resulting from the last investment cycle has ended for most metals; 3) demand is increasing sharply with the global post-pandemic economic recovery; 4) physical supply of gold, silver, zinc and other metals relative to demand has been tightening; 5) the effects of central banks' aggressive expansion of the money supply and governments' fiscal spending in response to the pandemic, are yet to play out (i.e. unpredictable consequences of massive money supply expansion since the 2008 financial crisis and, more recently, historic huge money creation and increasing government debt in response to the pandemic crisis); and 6) inflation has accelerated in 2022 and is unlikely to be "transitory" as suggested by central bankers. Notwithstanding the recent correction in commodity prices generally, the aforesaid factors should support an extended recovery in the junior mining sector, which will help facilitate financing of the Issuer's Clayton Property activities.

Silver markets: The Issuer anticipates a tightening of the physical silver demand/supply to continue unabated for the foreseeable future. Over the past decade, the low level of new investment in the mining sector means world silver production that peaked in 2015 to 2016 declined in each of the next four years. Contrasted against this scenario is industrial

demand, especially for solar panels, continues to increase, particularly in China. All of this has resulted in a physical deficit in global silver markets, which, along with anticipated future investment demand, should cause silver prices to increase significantly in the future. However, currently bullion banks have a large short position in silver derivatives on the COMEX, which has depressed physical prices for the time being.

Future Increases in zinc and lead prices will be a bonus for the Issuer's Clayton Silver Mine. The fundamentals remain positive for the global lead and zinc markets in the years ahead. London Metals Exchange lead and zinc inventories continue to track well below levels of five years ago, which is bullish for future prices.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: August 6, 2022

JAN M. ALSTON

Name of Director or Senior
Officer

"Jan M. Alston"

Signature

President & CEO
Official Capacity

Issuer Details Name of Issuer ISSUER GOLD & SILVER CORP.	For Month End July 31, 2022	Date of Report YY/MM/DD 22/08/06
Issuer Address P.O. BOX 74113, 148 – 555 STRATHCONA BLVD. SW		
City/Province/Postal Code CALGARY, ALBERTA T3H 3B6	Issuer Fax No. (403) 246-3018	Issuer Telephone No. (403) 457-2697
Contact Name	Contact Position	Contact Telephone No.

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