

NBS Capital Inc.
Management's Discussion and Analysis
Three months ended September 30, 2020 and 2019
(unaudited)

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Dated: November 27, 2020

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of NBS Capital Inc. (the "Corporation") was prepared by management of the Corporation as at September 30, 2020, and should be read in conjunction with the Corporation's audited annual financial statements year ended June 30, 2020 and notes thereto for the three months ended September 30, 2020 and 2019 (the "Financial Statements"). Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

The Financial Statements have been prepared by management and have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

The Corporation's certifying officers are responsible for ensuring that the annual financial report and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Corporation's certifying officers certify that the annual financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the Corporation as the date of and for the periods presented in the interim filings.

The Audit Committee and the Board of Directors provide an oversight role with respect to all public financial disclosures by the Corporation. The Board of Directors approves the Financial Statements and MD&A after the completion of its review and recommendation for approval by the Audit Committee, which meets periodically to review all financial reports, prior to filing.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Corporation's future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Corporation's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to risks associated with: limited operating history; no history of earnings or payment of any dividends; unlikely to generate earnings or pay dividends in the immediate or foreseeable future; no current business operations; no current assets other than cash; ability to complete a qualifying transaction; ability to raise additional funds if required; potential dilution of shares as a result of potential qualifying transaction; reliance on management team; conflicts of interest among certain directors and officers of the Corporation; lack of liquidity for shareholders of the Corporation; and market risk. See "Risks and Uncertainties".

Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Corporation. These forward-looking statements are made as of the date of this MD&A, and the Corporation assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Corporation's present and future business strategies and the environment in which the Corporation will operate in the future, including assumptions regarding business and operating strategies.

Description of the Business

The Corporation is classified as a Capital Pool Company ("CPC") for the purposes of the policies of the TSX Venture Exchange (the "Exchange"). The Corporation obtained a listing of the Corporation's common shares on the Exchange on December 21, 2018 under the stock symbol "NBS.P". The Corporation's business is to identify and evaluate businesses and assets with a view to completing a "Qualifying Transaction" as defined in the policies of the Exchange. Any proposed Qualifying Transaction must be accepted by the Exchange, and in the case of a non-arm's length Qualifying Transaction, is also subject to "majority of the minority approval" in accordance with Policy 2.4 of the Exchange. To date, the Corporation has not conducted commercial operations.

Until completion of a Qualifying Transaction, the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described in the Corporation's final CPC prospectus dated November 27, 2018, the funds raised pursuant to the Corporation's initial public offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

The Company issued 2,300,000 common shares for an amount of \$115,000 and on November 30, 2018 the Company's prospectus for an Initial Public Offering ("IPO") of the Company's common shares was received by the regulatory authorities. The IPO closed on December 17, 2018 and a total of 5,000,000 common shares were issued at a price of \$0.10 per common share. The Company's shares commenced trading on December 18, 2018 under the symbol NBS.P.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Qualifying Transaction

On October 19, 2020 the company announced that it has entered into a non-binding letter of intent dated September 17, 2020 with Electric Metals (USA) Limited ("EML"), an unlisted public company incorporated under the laws of New South Wales, Australia, to effect an arm's length transaction that will result in a reverse takeover of NBS by EML (the "Proposed Transaction"). Trading in the common shares of NBS will remain halted until such time as all required documentation has been filed with and accepted by the TSXV in connection with the Proposed Transaction. There can be no assurances that the Proposed Transaction will be completed on the terms set out below or at all.

The Proposed Transaction

It is intended that the Proposed Transaction will constitute the "Qualifying Transaction" of NBS as such term is defined in the policies of the TSXV. NBS currently has 7,300,000 common shares outstanding (each, an "NBS Common Share"), stock options to acquire 730,000 NBS Common Shares at a price of \$0.10 per share expiring December 18, 2023 (the "NBS Stock Options") and share purchase warrants to acquire 500,000 NBS Common Shares at a price of \$0.10 per share expiring December 18, 2020 (the "Agent's Warrants"). It is expected that all NBS Stock Options and Agent's Warrants outstanding will be exercised in accordance with their terms on or prior to the completion of the Proposed Transaction.

As a result of the Proposed Transaction, it is expected that EML will become a wholly-owned subsidiary of NBS (the "Resulting Issuer" following completion of the Proposed Transaction) or otherwise combine its corporate existence with a wholly-owned subsidiary of NBS. While the final structure of the Proposed Transaction will be subject to the receipt of tax, corporate and securities law advice for both NBS and EML, it is currently anticipated that the Proposed Transaction will be effected by way of a three-cornered merger/amalgamation effected pursuant to a court-supervised scheme of arrangement under the laws of Australia (the "Arrangement"), whereby EML will combine with a newly incorporated wholly-owned Australian subsidiary of NBS ("NBS Subco") in accordance with the terms of an arrangement agreement or scheme implementation agreement to be entered into by EML, NBS and NBS Subco (the "Arrangement Agreement").

The Company and EML anticipate that upon closing of the Proposed Transaction, the Resulting Issuer will meet the TSXV's initial listing requirements for a Tier 1 or Tier 2 mining issuer.

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Name Change and Consolidation

On or immediately prior to the completion of the Proposed Transaction, it is anticipated that: (i) NBS will effect a name change to "Nevada Silver Corporation" or such other name as is acceptable to EML (the "Name Change"); and (ii) NBS will consolidate its issued and outstanding shares by a factor of 0.73271 to arrive at 6,250,000 NBS common shares on closing of the Proposed Transaction assuming all NBS Stock Options and Agent's Warrants are exercised (the "Consolidation"), or such other consolidation ratio as may be required under the policies of the TSXV and as may be acceptable to the parties, with all issuances of NBS Common Shares in connection with the Proposed Transaction being commensurately adjusted. NBS will seek the approval of its shareholders for the Name Change and Consolidation at a meeting of shareholders (the "Meeting") to be held prior to completion of the Proposed Transaction. Notice of the Meeting will be posted on www.SEDAR.com under the Company's profile.

In connection with the Proposed Transaction, it is anticipated that NBS shall issue an aggregate of 43,820,020 post-Consolidation NBS Common Shares to the shareholders of EML, on a pro-rata basis, on closing of the Proposed Transaction in exchange for all of the issued and outstanding securities of EML. The number of post-Consolidation NBS Common Shares to be issued may be adjusted depending on the final Consolidation Ratio determined by the parties to be appropriate in connection with the Proposed Transaction.

At this time, the parties to the Proposed Transaction do not believe that approval of the NBS shareholders for the Proposed Transaction is required under applicable TSXV policies due, in part, to the fact that the transaction is arms-length.

Selected Financial Information

The Corporation was incorporated under the *Canada Business Corporation Act* on March 1, 2018 and June 30 is the date of its fiscal year-end.

The following selected financial data is derived from the financial statements of the Corporation prepared within acceptable limits of materiality and are in accordance IFRS.

Selected Statement of Financial Position Data

	As at September 30, 2020	As at September 30, 2019	As at June 30, 2020
Net working capital	254,327	377,510	293,363
Total current assets	266,398	386,230	324,800
Total current liabilities	12,071	8,720	31,437
Total shareholders' equity	254,327	377,510	293,363

Quarterly Information

	Three months ended			
	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Net (loss) for the period	(39,036)	(13,871)	(24,120)	(46,156)
Weighted average number of shares	7,300,000	7,300,000	7,300,000	7,300,000
Net (loss) per share	(0.01)	(0.00)	(0.00)	(0.01)
	Three months ended			
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Net (loss) for the period	(50,733)	(6,679)	(15,858)	(69,383)
Weighted average number of shares	7,300,000	7,300,000	7,300,000	7,300,000
Net (loss) per share	(0.01)	(0.00)	(0.00)	(0.01)

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Selected Statement of loss and other Comprehensive loss

The Corporation does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition. The following table sets forth selected results of operations for the three months ended September 30, 2020 and 2019.

	Three months ended September 30, 2020	Three months ended September 30, 2019
Interest Income	251	1,710
Expenses	39,287	52,442
Net (loss) for the period	(39,036)	(50,733)
Basic income (loss) per share	(0.01)	(0.01)

The expenses in the three months ended September 30, 2020 were attributable to increased costs incurred in connection with the review of potential Qualifying Transactions.

Results of Operations

The Corporation does not have any operations and will not conduct any business other than the identification and evaluation of business and assets for potential acquisition.

During the three months ended September 30, 2020 (September 30, 2019), the Corporation recorded a net loss of \$39,036 (\$50,733) consisting of \$39,287 (\$52,442) in expenses and interest income of \$251 (\$1,710).

Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets forth a breakdown of material components of the general and office costs of the Corporation for the three months ended September 30, 2020 and September 30, 2019 and the year ended June 30, 2020.

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Year Ended June 30, 2020
Accounting fees	\$9,032	\$7,255	\$19,829
Bank charges	\$25	\$37	\$129
Insurance	\$2,996	-	\$5,306
Legal fees	\$20,114	\$20,340	\$42,121
Meals and entertainment	-	-	\$192
Office expenses	\$817	\$3,371	\$17,290
Stock exchange	\$3,101	-	\$17,194
Telecommunications	-	-	\$119
Transfer fees	\$973	\$1,433	4352
Travel	\$2,229	\$20,006	\$34,236
	\$39,287	\$52,442	\$140,768

The following table sets forth a breakdown of material components of the expenses of the Corporation for each of the quarters in the year ended September 30, 2020.

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	Three months ended			
	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Accounting Fees	\$9,032	\$4,232	-	\$8,343
Bank Charges	\$25	\$15	\$36	\$40
Insurance	\$2,996	(\$2,996)	-	\$8,302
Legal fees	\$20,114	\$8,136	-	\$13,645
Meals and Entertainment	-	-	\$97	\$95
Office Expenses	\$817	\$6,982	\$1,573	\$5,363
Stock exchange	\$3,101	-	\$17,194	-
Telephone and Internet	-	-	\$119	-
Transfer Agent fees	\$973	\$973	\$973	\$973
Travel	\$2,229	(\$2,229)	\$5,598	\$10,860
	<u>\$39,287</u>	<u>\$15,113</u>	<u>\$25,590</u>	<u>\$47,621</u>

Liquidity, Capital Resources, and Outlook

As of September 30, 2020 (September 30, 2019), the Corporation had working capital of \$254,327. This included \$12,334 (\$33,305) in cash, short term investments maturing December 5, 2020 of \$254,064 (\$352,925), accounts payable and accrued liabilities of \$12,071 (\$8,720). Additional equity or debt financing may be required to complete a Qualifying Transaction.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as of September 30, 2020.

Transactions with Related Parties

The following entities are classified as related parties due to the following:

<u>Related Party</u>	<u>Relationship</u>
Paul Barbeau	President and Director
David Randall Chow	CFO and Director
Patrick André Murphy	Director
Michael Labiak	Director
John Kutkevicius	Director
hyperNET Inc	Controlled by Paul Barbeau

During the three months ended September 30, 2020 (September 30, 2019), the Corporation was invoiced \$4,661 (\$424) by a company (hyperNET Inc.) controlled by certain directors (Paul Barbeau).

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to be the related parties.

Critical Accounting Estimates and Policies

The Corporation's significant accounting policies and the adoption of new accounting policies, if any, are disclosed in the

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financial statements for the three months ending September 30, 2020.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash, short-term investments, accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair value of these financial instruments approximates their carrying values.

Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities previously issued by the Corporation:

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	7,300,000 Common Shares
Securities convertible or exercisable into voting or equity securities – stock options	Directors' and officers' stock options to acquire up to 10% of the outstanding Common Shares Agent's options to acquire up to 500,000 common shares in connection with the initial public offering	730,000 Stock Options 500,000 Warrants
Voting or equity securities issuable on conversion or exchange of outstanding securities	(as above)	(as above)

Risks and Uncertainties

The Corporation has a limited history of existence. There can be no assurance that a Qualifying Transaction will be completed. Equity or debt financing may be required to complete a Qualifying Transaction. There can be no assurance that the Corporation will be able to obtain adequate financing to continue operations. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities:

- (a) until completion of a Qualifying Transaction, the Corporation is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- (b) the Corporation has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Corporation will be able to identify a suitable Qualifying Transaction;
- (c) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Corporation will be able to successfully complete the transaction;
- (d) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;
- (e) there can be no assurance that an active and liquid market for the Corporation's common shares will develop and an investor may find it difficult to resell its common shares;
- (f) upon public announcement of a proposed Qualifying Transaction, trading in the Corporation's common shares will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The Corporation's common shares will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading

provides no assurance with respect to the merits of the transaction or the likelihood of the Corporation completing the proposed Qualifying Transaction; and

- (g) trading in the Corporation's common shares may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required.

Disclosure Controls and Procedures

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Corporation is made known to the Chief Executive Officer and the Chief Financial Officer by others within the Corporation, in an accurate and timely manner in order for the Corporation to comply with its continuous disclosure and financial reporting obligations and in order to safeguard assets.

Other Information

Additional information about the Corporation is available on SEDAR at www.sedar.com