

**NBS CAPITAL ANNOUNCES PROPOSED QUALIFYING TRANSACTION WITH
ELECTRIC METALS (USA) LIMITED**

NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH U.S. NEWS WIRES

OTTAWA, October 19, 2020 - NBS Capital Inc. (“**NBS**” or the “**Company**”) (TSXV: NBS.P) announces 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 has been halted in accordance with the policies of the TSX Venture Exchange (the “**TSXV**”) in connection with NBS’ proposed transaction with Ubook Editora S.A. (“**Ubook**”), as first announced on November 27, 2019. NBS also announces the termination of the proposed qualifying transaction with Ubook as the letter of intent dated November 22, 2019 between NBS and Ubook expired effective June 1, 2020 according to its terms and was not renewed. 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.

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.

Electric Metals (USA) Limited

EML is a public, unlisted company incorporated under the laws of New South Wales, Australia on July 24, 2019. It is a US-based resource company, with its material asset being the 100% owned Corcoran Canyon Silver Project (“**Corcoran**”) in Nevada. EML also holds a high-grade manganese project in Minnesota, USA.

Corcoran is located within a highly productive belt of current and past producing mines. Previous metallurgical testing of Silver Reef material returned an overall 76.6% recovery of silver through flotation and cyanidation. Based on mining operations at other silver-dominant projects, mineralization in the Silver Reef zone may also be amenable to heap-leach processing. EML believes that the project is located near good infrastructure with moderate terrain in a mining-friendly jurisdiction. The project area includes 328 contiguous mineral claims (2,674 ha) covering the existing mineralization as well as three exploration expansion targets.

The major shareholders of EML include Lewis Super Admin Pty Ltd. (“**Lewis Holdco**”) which holds 22.8% of the outstanding securities and ACT2 Pty Limited (“**ACT2**”) which holds 13.2% of the outstanding securities. Gary Lewis, the Chief Executive Officer of EML and a resident of New South Wales, Australia, controls each of Lewis Holdco and ACT2. Dr. Henry J. Sandri and Karen L. Spaulding of Minnesota, USA, jointly hold 17.7% of the outstanding securities of EML.

Selected Financial Information

The following table sets out selected financial information with respect to EML as at the dates noted. The selected financial information is derived from EML’s unaudited financial statements for the periods described, which have been prepared in accordance with International Financial Reporting Standards, issued by the International Accounting Standards Board, and denominated in Canadian dollars.

	As at December 31, 2019 (unaudited)	As at June 30, 2020 (unaudited)
Total assets	169,717	4,258,794
Total liabilities	-	896,752
Shareholders’ equity	169,717	3,362,042

The Concurrent Financing

In conjunction with the Proposed Transaction, EML is expected to use its best efforts to complete, on or prior to the completion of the Proposed Transaction, a non-brokered private placement (the “**Concurrent Financing**”) of subscription receipts (the “**Subscription Receipts**”) for aggregate gross proceeds of up to Cdn\$5,000,000 subject to a minimum of Cdn\$4,000,000, at a price of Cdn\$0.33 per Subscription Receipt. The gross proceeds raised in connection with the Concurrent Financing, less expenses (the “**Escrowed Funds**”), will be delivered to and held in escrow on behalf of the subscribers by TSX Trust Company or such other licenced escrow agent as determined by EML (the “**Escrow Agent**”) and invested in an interest-bearing account, or short-term obligations of, or obligations guaranteed by, the Government of Canada or any other investments that may be approved by EML, pending the satisfaction or waiver (to the extent such waiver is permitted) of certain escrow release conditions (the “**Escrow Release Conditions**”) on or before the 120th day after the closing of the Concurrent Financing (the “**Termination Date**”), in accordance with the provisions of a subscription agreement to be entered into with the subscribers in the Concurrent Financing and a subscription receipt agreement to be entered into with the Escrow Agent. Finder’s fees may be payable in connection with sourcing investors to participate in the Concurrent Financing.

Each Subscription Receipt shall entitle the holder thereof to receive, upon automatic exchange in accordance with the terms of the Subscription Receipt Agreement (as defined below), without payment of additional consideration or further act or formality on the part of the holder thereof, one common share in the capital of EML (each, an “**Underlying Share**”) and one-half of one common share purchase warrant of EML (each whole such warrant, an “**Underlying Warrant**”) upon the satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions on or before the Termination Date. Each whole Underlying Warrant will entitle the holder to acquire one share of the Resulting Issuer at an exercise price of \$0.60 per share for a period of two years from the closing of the Qualifying Transaction (the “**Warrant Expiry Date**”); however, the number of Resulting Issuer shares issuable, and the price per share payable, on exercise of the Underlying Warrants may be adjusted if the Consolidation Ratio is adjusted. The Company will be entitled to accelerate the Warrant Expiry Date upon notice to the Underlying Warrant holders should the closing price of the shares of the Resulting Issuer on the TSXV be greater than \$1.00 for twenty consecutive trading days.

Each Underlying Share will then be exchanged for one common share of the Resulting Issuer upon closing of the Proposed Transaction and each Underlying Warrant will, upon exercise in accordance with its terms, entitle the holder thereof to one common share of the Resulting Issuer.

The Escrow Release Conditions are comprised of:

- (a) raising minimum proceeds of \$4,000,000 under the Concurrent Financing;
- (b) the completion, satisfaction or waiver of all conditions precedent to the Qualifying Transaction other than the release of the Escrowed Funds;
- (c) the receipt of all shareholder and regulatory approvals required for the Qualifying Transaction;
- (d) written confirmation from each of EML and NBS that all conditions of the Qualifying Transaction have been satisfied or waived, other than release of the Escrowed Funds, and that the Qualifying Transaction shall be completed forthwith upon release of the Escrowed Funds (the “**Release Notice**”);
- (e) the distribution of (i) the Underlying Shares and Underlying Warrants and (ii) the Resulting Issuer common shares to be issued in exchange for the Underlying Shares pursuant to the Qualifying Transaction following the satisfaction of the Escrow Release Conditions being exempt from applicable prospectus and registration requirements of applicable securities laws and not subject to any hold or restricted period;

- (f) the Resulting Issuer common shares being conditionally approved for listing on the TSXV, and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds; and
- (g) EML shall have delivered the Release Notice to the Escrow Agent in accordance with the terms of the Subscription Receipt agreements entered into with subscribers of the Concurrent Financing.

In the event that: (i) the Escrow Agent does not receive the Release Notice at or prior to 11:59 p.m. (Toronto time) on the Termination Date, or (ii) if prior to the Termination Date, the Company advises the subscribers or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Subscription Receipts will be null and void and of no further effect, and the Escrow Agent will return to each holder of Subscription Receipts an amount equal to the aggregate subscription price of the Subscription Receipts held by such holder plus a *pro rata* portion of any interest and other income earned on the Escrowed Funds, less applicable withholding taxes, if any. EML will be responsible and liable to the holders of Subscription Receipts for any shortfall between the aggregate Subscription Price and the Escrowed Funds.

In the event the Escrow Release Conditions are satisfied, and the Proposed Transaction is completed, the Escrowed Funds will be released to the Company. The Company intends to use the Escrowed Funds to fund the exploration of EML's Corcoran Canyon Silver Project, pay for expenses of the Concurrent Financing and Proposed Transaction, and for general working capital purposes.

Closing Conditions

It is proposed that completion of the Proposed Transaction will be subject to a number of conditions, including but not limited to, completion of the Concurrent Financing, the satisfaction of the Company and EML in respect of the due diligence investigations to be undertaken by each party, the entering into by the parties of a definitive agreement with respect to the Proposed Transaction (such agreement to include representations, warranties, conditions and covenants typical for a transaction of this nature), the receipt of approval of the directors of each of NBS and EML, the approval of the Arrangement by the Australian courts and the shareholders of EML, the receipt of all necessary approvals of the shareholders of NBS at the Meeting, and the receipt of all necessary approvals of all regulatory bodies having jurisdiction in connection with the Proposed Transaction, including the Australian Securities and Investment Commission and the TSXV, and the determination of a new board of directors of the Resulting Issuer (which is presently contemplated to include Sheldon Inwentash, Non-Executive Chairman; Gary Lewis, executive director; Dr. Ian Pringle, director; Dr. Henry Sandri, director; and John Kutkevicius, director) and appointment of new officers of the Resulting Issuer, (which are presently contemplated to consist of Gary Lewis, Group CEO; Dr. Ian Pringle, Technical Director; Dr. Henry Sandri, COO; and Ms. Natasha Tsai, CFO). EML and NBS continue to evaluate individuals to serve in those capacities to ensure the board possesses appropriate capital markets and operational experience. As such, the composition of the directors, officers and insiders of the Resulting Issuer may be amended prior to completion of the Qualifying Transaction. Any amendments will be set out in a further press release of the Company. The Proposed Transaction cannot close until the required conditions are satisfied or waived, and there can be no assurance that the Proposed Transaction will be completed as proposed or at all and there can be no assurances that the Proposed Transaction will be completed on the terms outlined herein, or at all.

Proposed Director and Officer Qualifications

Gary Lewis, Director and Group Chief Executive Officer

Mr. Lewis is an executive with over 30 years' experience in capital markets, business and strategy development. Mr. Lewis founded, invested and operated resource projects or assets valued at more than US\$400M, including the acquisition and ultimate sell-down or listing of high-value, multi-commodity

resource projects in Australia, the United Kingdom, Southeast Asia, Central Asia and the Americas. Mr. Lewis has a background in the pharmaceutical and food industries and has worked in natural resources since 2006. He was the founder and Managing Director of Australian-listed Robust Resources Limited, and more recently was the founder and Chief Executive Officer of Battery Mineral Resources Limited. Mr. Lewis holds a Bachelor of Commerce and Master of Business and Technology from the University of New South Wales.

Dr. Henry Sandri, Director and Chief Operating Officer

Dr. Sandri is a senior mining executive with a successful history of exploration, project development, construction management and operations on six continents. He is a former senior officer for base, precious and battery metals and industrial minerals companies, and a former director of private and public corporations on Canadian, United States and United Kingdom exchanges. Dr. Sandri was previously President, Chief Executive Officer and Director of TSX-listed Duluth Metals Limited, a US-based base metals company, and took the company's value from less than US\$1 million to over US\$350 million in fewer than four years. A former officer at Inco Limited and senior consultant at Behre Dolbear, Dr. Sandri obtained a BS in Foreign Service from Georgetown University, a Masters in Applied Economics from The American University, and a PhD in Mineral Economics from the Colorado School of Mines.

John Kutkevicius, Non-Executive Director

Mr. Kutkevicius is an income tax lawyer with the Toronto law firm of Wildeboer Dellelce LLP. He has served as a director of a number of junior resource companies including Barkerville Gold Mines Ltd., Changfeng Energy Inc. and Chariot Resources Limited. Mr. Kutkevicius holds a Bachelor of Commerce degree from Queen's University, a Bachelor of Laws degree from the University of Western Ontario, and a Master of Law degree (in taxation) from York University.

Dr. Ian Pringle, Technical Director

Dr. Pringle is a senior mining executive with outstanding track record of successful mineral resource evaluation, discovery, project development and operations. As a managing director of several Australian-listed resource companies, he has gained considerable experience and practicable ability with respect to international base and precious metals projects. Dr. Pringle's strengths include high technical capability and knowledge of all aspects of mineral exploration, resource and mining activities, strong leadership and effective teamwork. Between 1997 and 2011, he managed Silver Standard Resources' Australian operations and oversaw exploration at the Bowden's Silver Deposit which is Australia's largest unmined silver resource.

Sheldon Inwentash, Non-Executive Chairman

Mr. Inwentash is the Founder, Chairman and Chief Executive Officer of ThreeD Capital Inc., and has more than 30 years of investing experience. He co-founded Visible Genetics, the first commercial pharmacogenomics company, in 1994, and exited to Bayer in 2001. Through two decades leading Pinetree Capital, a company listed on the TSX, Mr. Inwentash created significant shareholder value through early investments in Queenston Mining (acquired by Osisko Mining Corp. for \$550 million), Aurelian Resources (acquired by Kinross for \$1.2 billion) and Gold Eagle Mines (acquired by Goldcorp for \$1.5 billion). He obtained his Bachelor of Commerce from the University of Toronto and is a Chartered Professional Accountant. In 2012, Mr. Inwentash received an honorary Doctor of Laws degree from the University of Toronto for his leadership as an entrepreneur and for his invaluable philanthropic work with children, youth and their families.

Natasha Tsai, Chief Financial Officer

Ms. Tsai is a Chartered Professional Accountant with Malaspina Consultants Inc. Prior thereto, she was a senior accountant with Grant Thornton LLP. She has acted as Chief Financial Officer and/or controller for a number of listed companies and has corporate finance and listed-company experience in an array of sectors. Currently, Ms. Tsai also serves as Chief Financial Officer of NameSilo Technologies Corp. (CSE: URL), Getchell Gold Corp. (CSE: GTCH), PPX Mining Corp. (TSXV: PPX), Sentinel Resources Corp. (CSE: SNL), and Shoal Point Energy Ltd. (CSE: SHP).

Sponsorship

NBS and EML intend to comply with the TSXV requirements regarding sponsorship of the Proposed Transaction, but may seek an exemption or waiver from the sponsorship requirements. If the parties seek such an exemption or waiver, there can be no assurances that the TSXV will grant such an exemption or waiver, either at all or on the terms sought by the parties.

If and when a definitive agreement between NBS and EML is executed, NBS will issue a subsequent press release in accordance with the policies of the TSXV containing the details of the definitive agreement and the additional terms of the Proposed Transaction.

Technical Information

The technical information in this news release has been reviewed and approved by Dr. Ian Pringle, a Qualified Person as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

Cautionary Statements

Disclosure Regarding Forward-Looking Statements: This press release contains certain “Forward-Looking Statements” within the meaning of applicable securities legislation relating to the proposal to complete the Proposed Transaction and associated transactions, including statements regarding the terms and conditions of the Proposed Transaction, the Concurrent Financing, the use of proceeds of the Concurrent Financing, and the business of the Resulting Issuer. The information about EML contained in the press release has not been independently verified by the Company. We use words such as “might”, “will”, “should”, “anticipate”, “plan”, “expect”, “believe”, “estimate”, “forecast” and similar terminology to identify forward looking statements and forward-looking information. Such statements and information are based on assumptions, estimates, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments as well as other factors which it believes to be reasonable and relevant. Forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause our actual results to differ materially from those expressed or implied in the forward-looking statements and information and accordingly, readers should not place undue reliance on such statements and information. Although the Company believes, in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. In evaluating forward-looking statements and information, readers should carefully consider the various factors which could cause actual results or events to differ materially from those expressed or implied in the forward looking statements and forward-looking information depending on, among other things, the risks that the parties will not proceed with the Proposed Transaction, the Concurrent Financing and/or other associated transactions, that the ultimate terms of the Proposed Transaction, the Concurrent Financing and/or other associated transactions will differ from those

currently contemplated, and that the Proposed Transaction, the Concurrent Financing and/or other associated transactions will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities). The statements in this press release are made as of the date of this release. The Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Company, EML, their respective securities, or their respective financial or operating results (as applicable).

Completion of the transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSXV has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

This press release is intended for distribution in Canada only and is not intended for distribution to United States newswire services or dissemination in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

All information contained in this press release relating to EML was provided by EML to NBS for inclusion herein. NBS has not independently verified such information and shall bear no liability for any misrepresentation contained therein.

About NBS Capital Inc.

The only business of NBS is the identification and evaluation of assets or businesses with a view to completing a “Qualifying Transaction” in accordance with the policies of the TSXV.

Investors are cautioned that trading in the securities of a capital pool company should be considered highly speculative. For further information, contact: NBS Capital Inc. Paul Barbeau, Chief Executive Officer and Director. Phone: 613-232-1567 x 201.