

NEVADA SILVER CORPORATION
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of Shareholders (the “**Meeting**”) of Nevada Silver Corporation (the “**Corporation**”) will be held online at <https://wildlaw-ca.zoom.us/j/83663153766> and at the offices of Wildeboer Dellelce LLP at Suite 800 - 365 Bay Street, Toronto, Ontario, M5H 2V1, at 10:00 a.m. (Toronto time) on June 13, 2022 for the following purposes:

1. **TO RECEIVE** the financial statements of the Corporation for the fiscal year ended December 31, 2021 and the auditors’ report thereon;
2. **TO APPOINT** the auditors of the Corporation for the ensuing fiscal year and to authorize the directors of Corporation to fix the auditors’ remuneration;
3. **TO ELECT** the board of directors of the Corporation (the “**Board**”) to hold office until the next annual meeting of the shareholders of the Corporation;
4. **TO CONSIDER**, and, if deemed advisable, to pass an ordinary resolution approving and authorizing the Corporation, in accordance with applicable TSX Venture Exchange (“**TSXVE**”) policies, to continue the use of the Corporation’s 10% rolling stock option plan and to make certain amendments to such plan to comply with TSXVE policies; and
5. **TO TRANSACT** such other business as may properly be brought before the Meeting or any adjournment thereof.

The Corporation is committed to safeguarding the health and well-being of our employees, service providers, shareholders and the community. In light of the novel coronavirus outbreak (COVID-19) and consistent with the latest guidance from public health and government authorities, this year’s Meeting will be available to our shareholders in a virtual format, by way of a live webcast. While we will also be holding the Meeting at the address noted above, the Corporation strongly encourages all shareholders to vote their shares in advance of the Meeting and to attend the Meeting via videoconference at <https://wildlaw-ca.zoom.us/j/83663153766> rather than attending in person. You can also dial in by telephone using the following numbers: in Canada dial +1 647 558 0588, in Australia dial +1 61 8 7150 1149 and in the United States dial +1 312 626 6799 and use access code 836 6315 3766. The Board and management will address the Meeting and shareholders will be able to listen and ask questions at the Meeting in real time via the Internet. Voting in advance of the Meeting in accordance with the instructions set out on your form of proxy or voting instruction form will ensure your votes are counted at the Meeting, and participating via videoconference or telephone will help safeguard your health and the health of the Corporation’s personnel and the community generally.

You are encouraged to make sure that your votes are represented at the Meeting. Additional information on how to attend virtually and to vote your shares in advance of the Meeting is enclosed. Please take the time to vote using the proxy form or voting instruction form sent to you in accordance with the instructions thereon so that your shares are voted according to your instructions and represented at the Meeting.

The Corporation has determined to deliver this notice of Meeting and the information circular and form of proxy (collectively, the “**Meeting Materials**”) to shareholders by posting the Meeting Materials online at <https://docs.tsxtrust.com/2306> in accordance with the notice and access notification mailed to shareholders of the Corporation. The use of the notice and access procedures under applicable securities laws will significantly reduce the Corporation’s printing and mailing costs.

The Meeting Materials will be available online <https://docs.tsxtrust.com/2306> and will remain on the website for one full year. The Meeting Materials will also be available under the Corporation’s SEDAR profile at www.sedar.com. All shareholders of the Corporation will receive a notice and access notification containing information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. Shareholders wishing to receive paper copies of the Meeting Materials can request them from the Corporation by calling toll-free at 1-866-600-5869. The Corporation will mail paper copies of the Meeting Materials to requesting shareholders at no cost to them within three business days of their request, if such requests are made before the Meeting.

The Board has fixed March 4, 2022, as the record date for determining the shareholders who are entitled to receive notice of and to vote at the Meeting. Only shareholders of record at the close of business on March 4, 2022 will be entitled to receive notice of and vote at the Meeting.

Particulars of the foregoing matters are set forth in the accompanying management information circular.

The audited financial statements of the Corporation as at and for the year ended December 31, 2021 and the report of the auditor of the Corporation thereon can be viewed on the Corporation's SEDAR profile at www.sedar.com and will be available for inspection at the Meeting.

Registered shareholders are requested to complete, date, sign and return the accompanying form of proxy in the enclosed return envelope. All instruments appointing proxies to be used at the Meeting or at any adjournment thereof must be delivered to the TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, by 10:00 a.m. (Toronto time) on June 9, 2022.

DATED this 30th day of April, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Gary Lewis"
Gary Lewis, Director, Chief Executive Officer

NEVADA SILVER CORPORATION INFORMATION CIRCULAR

Unless otherwise specified, information contained in this information circular (the “**Circular**”) is as of April 30, 2022. No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation (as defined below). The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

All references to shareholders in this Circular and the accompanying Form of Proxy (as defined below) and Notice of Meeting (as defined below) are to be shareholders of record unless specifically stated otherwise.

COVID-19

The Corporation is committed to safeguarding the health and well-being of its employees, service providers, shareholders and the community. In light of the novel coronavirus outbreak (COVID-19) and consistent with the latest guidance from public health and government authorities, this year’s Meeting (as defined below) will be available to the Corporation’s shareholders in a virtual format, by way of a live webcast. While the Corporation will also be holding the Meeting at the address noted above, the Corporation strongly encourages all shareholders to vote their Common Shares (as defined below) in advance of the Meeting using the Form of Proxy and VIF (as defined below) sent to each shareholder as part of the Proxy-Related Materials (as defined below) sent to all shareholders, and to attend the Meeting via videoconference at <https://wildlaw-ca.zoom.us/j/83663153766> rather than attending in person. You can also dial in by telephone using the following numbers: in Canada dial +1 647 558 0588, in Australia dial +1 61 8 7150 1149 and in the United States dial +1 312 626 6799 and use access code 836 6315 3766. The Board and management will address the Meeting and shareholders will be able to listen and ask questions at the Meeting in real time via the Internet. Voting in advance of the Meeting using the Form of Proxy for Registered Holders (as defined below) and VIF for Beneficial Holders (as defined below) in accordance with the instructions set out on your Form of Proxy or VIF will ensure your votes are counted at the Meeting, and participating via videoconference will help safeguard your health and the health of the Corporation’s personnel and the community generally.

We encourage you to make sure that your votes are represented at the Meeting. Additional information on how to attend the Meeting virtually and to vote your shares in advance of the Meeting is enclosed. Please take the time to vote using the Form of Proxy or VIF sent to you in accordance with the instructions thereon so that your shares are voted according to your instructions and represented at the Meeting.

NOTICE AND ACCESS

The Corporation is utilizing the notice-and-access provisions of National Instrument 51-102 – “*Continuous Disclosure Obligations*” and National Instrument 54-101 – “*Communication with Beneficial Owners of Securities of a Reporting Issuer*” (“**NI 54-101**”) for the Meeting (“**Notice and Access**”). Notice and Access is a set of rules that permits the Corporation to reduce the volume of materials that must be physically mailed to shareholders by allowing the Corporation to deliver Meeting materials to shareholders electronically by providing shareholders with access to these materials online.

In accordance with the Notice and Access provisions, a notice and a Form of Proxy or VIF (the “**Notice Package**”) has been sent to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. The Notice of Meeting, the Circular and the financial statements (collectively, the “**Proxy-Related Materials**”) have been made available online to shareholders at <https://docs.tsxtrust.com/2306> and under the Corporation’s SEDAR (the System for Electronic Document Analysis and Retrieval) profile at www.sedar.com. The Corporation will directly send the Notice Package to Non-Registered Holders (as hereinafter defined).

For the Meeting, the Corporation is using Notice and Access for both registered and non-registered (or beneficial) shareholders (the “**Non-Registered Holders**”). Neither registered shareholders nor Non-Registered Holders will receive a paper copy of this Circular unless they contact the Corporation after it is posted, in which case the Corporation will mail this Circular within three business days of any request provided the request is made prior to the Meeting.

Shareholders wishing to receive paper copies of the Proxy-Related Materials can request same from the TSX Trust Company by calling toll-free 1-866-600-5869. In order to ensure that a paper copy of the Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Circular and return a Form of Proxy or VIF prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received by the Corporation no later than 5:00 p.m. (Toronto time) on June 2, 2022.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

SOLICITATION OF PROXIES

This Circular dated April 30, 2022 is furnished in connection with the solicitation by and on behalf of the management of Nevada Silver Corporation (“NSC” or the “**Corporation**”) of proxies to be used at the Annual and Special Meeting (the “**Meeting**”) of holders of the common shares of the Corporation (the “**Common Shares**”) to be held on June 13, 2022 at 10:00 a.m. (Toronto time), at the offices of Wildeboer Dellelce LLP situated at Suite 800 - 365 Bay Street, Toronto, Ontario, M5H 2V1 for the purposes set forth in the accompanying notice of the Meeting (the “**Notice of Meeting**”). Shareholders may also attend virtually (and are strongly encouraged to do so) via videoconference at <https://wildlaw-ca.zoom.us/j/83663153766> or by telephone at 1 (647) 558-0588 in Canada, +1 61 8 7150 1149 in Australia and 1 (312) 626-6799 in the United States and use access code 836 6315 3766. It is expected that the solicitation will be primarily by mail or email. Employees of the Corporation may solicit proxies personally or by telephone at nominal cost. The cost of any such solicitation by management will be borne by the Corporation.

MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed Form of Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, such Common Shares will be voted FOR the appointment of the auditors, FOR the election of directors and FOR the resolution approving the continued use of, and the amendments to, the Corporation’s stock option plan and FOR the By-law Amendment (as defined below).

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to any amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

APPOINTMENT OF PROXIES

The persons named in the enclosed Form of Proxy are directors (“**Directors**”) and/or officers (“**Officers**”) of the Corporation. A shareholder desiring to appoint some other person to represent him at the Meeting may do so by inserting such person’s name, who need not be a shareholder of the Corporation, in the blank space provided in the enclosed form of proxy (“**Form of Proxy**”) and striking out the names of the two persons specified or by completing another proper form of proxy.

In all cases, the completed proxy is to be delivered to TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, by 10:00 a.m. on June 9, 2022.

REVOCAION OF PROXIES

A registered shareholder of the Corporation who has given a proxy may revoke the proxy as to any motion on which a vote has not already been cast pursuant to the authority conferred by it by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered shareholder or by his or her attorney authorized

in writing or by electronic signature or, if the registered shareholder is a corporation, by an officer or attorney thereof properly authorized, either (i) at the principal office of the Corporation at 130 Spadina Avenue Suite, 401, Toronto, Ontario, M5V 2L4, at any time prior to 10:00 a.m. (Toronto time) on June 9, 2022; (ii) with TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, at any time prior to 10:00 a.m. (Toronto time) on June 9, 2022; or (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; (b) transmitting, by telephone or electronic means, a revocation that complies with paragraph (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

VOTING BY NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Corporation as a substantial number of shareholders do not hold their Common Shares in their own name and thus are considered Non-Registered Holders. If Common Shares are listed in an account statement provided to a shareholder by a broker then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker or another similar intermediary holding on the shareholder's behalf.

If you have received the Corporation's Form of Proxy directly, you may vote your shares on the Internet in accordance with the instructions on the Form of Proxy, or you may also return it to TSX Trust Company by regular mail in the return envelope provided or by fax at (416) 595-9593.

Only registered shareholders, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. Non-Registered Holders, including non-objecting beneficial owners ("NOBOs") and objecting beneficial owners ("OBOs") will receive a Voting Instruction Form ("VIF") from an intermediary by way of instruction of their financial institution. Detailed instructions of how to submit your vote (including voting on the Internet) will be on the VIF. Non-Registered Holders should return their voting instructions as specific in the request for voting instructions.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives either a Form of Proxy or VIF wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in the Form of Proxy or VIF and insert the Non-Registered Holder's name in the blank space provided or, in the case of a VIF, follow the directions indicated on the VIF. Non-Registered Holders who receive a VIF from an intermediary should carefully follow the instructions of their intermediary including those regarding when and where the VIF is to be delivered.

A Non-Registered Holder who has submitted a VIF may revoke it by contacting the intermediary through which the Non-Registered Holder's Common Shares are held and following the intermediary's instructions. A Non-Registered Holder who has submitted the Corporation's Form of Proxy may revoke it in the manner described in the Form of Proxy. Please refer to the sections entitled "Appointment of Proxies" and "Revocation of Proxies".

These Proxy Related Materials are being sent to both registered and non-registered owners of the securities. The Corporation has determined to pay the fees and costs of intermediaries for their services in delivering meeting materials to OBOs in accordance with NI 54-101.

VOTING SHARES AND RECORD DATE

The Corporation is authorized to issue an unlimited number of Common Shares with each share carrying the right to one vote per share at all meetings of the shareholders of the Corporation.

As of April 30, 2022, the Corporation had 72,781,943 Common Shares issued and outstanding.

In accordance with the provisions of the *Canada Business Corporations Act* (the "Act"), the Corporation has fixed May 4, 2022 as the record date for the purpose of determining shareholders entitled to vote at the Meeting. The Corporation will prepare a list of holders of its Common Shares as at the close of business on the record date. A shareholder named in the list will be entitled to vote the Common Shares shown opposite their name at the Meeting and all adjournments thereof.

PRINCIPAL HOLDERS OF VOTING SHARES

As of April 30, 2022, to the knowledge of the Directors and senior Officers of the Corporation, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation, other than:

Shareholder Name	Number of Shares ⁽¹⁾	Percentage of Outstanding Shares
Gary Lewis	15,800,000	21.71%
Dr. Henry Sandri	7,750,000	10.65%

Note:

- (1) The shareholdings of the persons named, not being within the knowledge of the Corporation, have been provided by such persons or obtained from public sources.

QUORUM

A quorum for the transaction of business at the Meeting shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled and representing in the aggregate not less than ten percent (10%) of the outstanding shares of the Corporation carrying voting rights at the Meeting. The Corporation's list of shareholders as of May 4, 2022, being the record date for the Meeting, has been used to deliver to shareholders the Notice of Meeting and this Circular as well as to determine who is eligible to vote.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Unless otherwise noted, approval of matters to be placed before the Meeting will be by way of an "ordinary resolution", which is a resolution passed by a simple majority (50% plus 1) of the votes cast by shareholders of the Corporation entitled to vote and present in person or represented by proxy.

FINANCIAL STATEMENTS

The audited annual financial statements for the year ended December 31, 2021 will be tabled at the meeting, but no vote will be taken thereon.

RESOLUTION 1 – APPOINTMENT AND REMUNERATION OF AUDITOR

The shareholders of the Corporation will be asked to vote for the appointment of Baker Tilly WM LLP, Chartered Accountants, as auditor of the Corporation. If appointed, Baker Tilly WM LLP, Chartered Accountants will serve until the earlier of the next annual meeting of shareholders or until its successor is appointed.

The Board recommends a vote FOR the appointment of Baker Tilly WM LLP, Chartered Accountants, as auditor of the Corporation to hold office until the earlier of the next annual meeting of shareholders or its successor is appointed and to authorize the Directors to fix its remuneration. Unless another choice is specified, the persons named in the enclosed Form of Proxy intend to vote FOR the appointment of Baker Tilly WM LLP, Chartered Accountants, as auditor of the Corporation to hold office until the earlier of the next annual meeting of shareholders or its successor is appointed and to authorize the Directors to fix its remuneration.

RESOLUTION 2 – ELECTION OF DIRECTORS

The Directors of the Corporation are all elected annually. Each Director elected will hold office until the conclusion of the next annual general meeting of the Shareholders, unless a Director’s office is earlier vacated in accordance with the by-laws of the Corporation, or the provisions of the Act. The Board has determined that the number of Directors to be elected at the Meeting is five. The persons named in the following table are management’s nominees to the Board. The table also lists the year they became a Director, their principal occupations or employment within the five preceding years, and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, by each of them as of April 30, 2022. **Unless a proxy specifies that the Shares it represents are to be withheld from voting in favour of the candidates proposed below, the proxies named in the accompanying form of proxy intend to vote in favour of the candidates proposed below.**

NAME, RESIDENCE, OFFICE HELD	PRINCIPAL OCCUPATION	DIRECTOR SINCE	COMMON SHARES BENEFICIALLY OWNED⁽¹⁾
Gary Lewis ⁽⁴⁾ <i>New South Wales, Australia</i> Director, President & Chief Executive Officer	Mining Executive, Company Director	April 30, 2021	15,800,000
Dr. Henry Sandri ^{(2) (5)} <i>Cottage Grove, Minnesota</i> Director, Chief Operating Officer	Mining Executive, Mineral Economist	April 30, 2021	7,750,000
John Kutkevicius ^{(2) (3) (6)} <i>Toronto, Ontario</i> Director	Lawyer, Wildeboer Dellelce LLP	May 31, 2018	762,633
Dr. Ian Pringle ^{(3) (7)} <i>New South Wales, Australia</i> Director	Mining Executive, Professional Geologist	April 30, 2021	1,000,000
Sheldon Inwentash ^{(1) (2) (8) (9)} <i>Toronto, Ontario</i> Director	Chairman and Chief Executive Officer, ThreeD Capital Inc.	April 30, 2021	3,725,000

Notes

- (1) Not being within the knowledge of the Corporation, the information regarding shareholding has been furnished by the respective nominees or taken from public sources.
- (2) Member of the audit committee.
- (3) Member of the compensation committee.
- (4) These shares are indirectly held by Mr. Lewis through entities over which he exercises control or direction.
- (5) Dr. Sandri also holds 250,000 stock options.
- (6) Mr. Kutkevicius also holds 100,000 stock options and 150,000 warrants.
- (7) Dr. Pringle also holds 450,000 stock options.
- (8) Mr. Inwentash also holds 900,000 stock options and 500,000 warrants.
- (9) These shares are indirectly held by Mr. Inwentash through entities over which he exercises control or direction.

The Board recommends a vote FOR the election of the directors. Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the election of the individuals set forth above. Management does not contemplate that any of such nominees will be unable to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee in their discretion.

Cease Trade Orders and Bankruptcies

To the best of the Corporation’s knowledge, other than as disclosed below, no proposed Director of the Corporation is, or within 10 years before the date hereof, has been: (a) a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director

ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. No proposed director: (a) is at the date hereof, or has been with 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.; or (b) has, or within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director. To the best of the Corporation's knowledge, no proposed director of the Corporation has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

From January 23, 2017 to July 5, 2019, Dr. Ian Pringle and Gary Lewis were directors of Resource Capital Gold Corp. ("RCG"), a company incorporated under the laws of British Columbia and listed on the TSXVE with a gold project in Nova Scotia, Canada. On January 20, 2019, RCG announced that it filed a Notice of Intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") with PricewaterhouseCoopers Inc. acting as the trustee. It is Dr. Pringle's and Mr. Lewis' understanding that following their resignations as directors of RCG, the RCG BIA proceedings resulted in the secured creditor of RCG acquiring all of the assets of RCG and RCG ceased business operations.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise indicated, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as Directors of the Corporation.** NSC does not contemplate that any of such nominees will be unable to serve as a Director of the Corporation but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee in their discretion.

RESOLUTION 3 – APPROVAL OF THE CORPORATION'S STOCK OPTION PLAN; AMENDMENTS

The Board of Directors (the "Board") and Shareholders have previously approved the Corporation's stock option plan (the "Plan") for the benefit of the Directors, Officers, employees, and consultants of the Corporation. Under the Plan, the Corporation may grant options to its Directors, Officers, employees and consultants.

The Plan is a "rolling up to 10%" stock option plan as described in TSXVE Policy 4.4, that being a revolving or regenerating plan under which security-based compensation not exceeding a fixed proportion (namely, 10%) of the Corporation's issued and outstanding Common Shares may be reserved from time to time, subject to annual review and approval of the Plan by shareholders and the TSXVE. Additional information on the Plan is disclosed in the section entitled "Securities Authorized for Issuance Under Equity Compensation Plans".

Effective November 24, 2021, the TSXVE amended Policy 4.4 (the "Amended Policy") to permit, among other things, additional types of securities-based compensation arrangements in addition to stock option plans. The Amended Policy also requires securities-based compensation arrangement plans, such as the Plan, to include certain prescribed provisions. In order to bring the Plan into technical compliance with the Amended Policy, the Corporation proposes to amend the Plan (collectively, the "Amendments") to:

- add a new paragraph to section 4 as follows: "For Options granted or issued to Employees, Management Company Employees and Consultants of the Corporation, the Corporation and the Optionee are responsible

for ensuring and confirming that the Optionee is a bona fide Employee, Management Company Employee or Consultant, as the case may be.”;

- add “Investor Relations Service Providers” (as such term is defined in Policy 4.4) to section 5(c) such that the limit on Options of 2% of the issued and outstanding shares granted applies to such persons in addition to any employees carrying out Investor Relations Activities (as such term is defined in applicable TSXVE policies);
- insert a new subsection (d) into section 5 as follows: “Investor Relations Service Providers may not receive any Security Based Compensation other than Stock Options;”;
- add a new paragraph to section 7 as follows: “In the event that the Corporation proposes to extend the term of the Options granted to an Optionee who is an Insider of the Corporation at the time of the proposed amendment, said amendment shall not be effected until disinterested shareholder approval has been obtained in respect of said extension to the term.”;
- amend subsections 10(a), 10(c) and 10(e) by inserting “Subject to the prior approval of the Exchange” at the beginning of each subsection, such that any adjustments to the Common Shares or other shares or securities added to or substituted for the shares under any Option that may occur in connection with (i) a dividend in shares of the Corporation being paid on its Common Shares, (ii) a capital reorganization or classification of the share capital of the Corporation, or any consolidation or merger or amalgamation of the Corporation with any other corporation or corporations, shall become subject to the approval of the TSXVE; and
- adjust formatting, grammar and the numbering of any lists to reflect the foregoing amendments.

The Amendments are considered restrictive on the Corporation as they add TSXVE and/or disinterested shareholder approval requirements, confirmation of status obligations or restrictions on any Option grants to additional and existing classes of optionees qualified to receive grants. The Amendments do not prejudice nor favour any existing Optionholder; they are intended to ensure the Plan is in technical compliance with the Amended Policy. The Amendments are subject to TSXVE acceptance. It is proposed that the Shareholders pass a resolution approving the Plan and the Amendments substantially in the form set forth below:

“NOW THEREFORE BE IT RESOLVED BY ORDINARY RESOLUTION THAT:

1. the continued use of the Corporation’s existing stock option plan (the “**Plan**”), all as more particularly described in the management information circular dated April 30, 2022 (the “**Circular**”), is hereby ratified and approved;
2. the Corporation be and is hereby authorized to grant stock options pursuant and subject to the terms and conditions of the Plan, entitling the option holders to purchase up to that number of common shares that is equal to 10% of the issued and outstanding shares of the Corporation at the time of the grant;
3. the Amendments (as defined in the Circular) are hereby ratified and approved and the Corporation is authorized to make such Amendments to the Plan; and
4. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the TSX Venture Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the implementation of the Plan.”

The Board recommends a vote FOR the ordinary resolution ratifying and approving the continued use of the Plan and the Amendments. Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the resolution ratifying and approving the continued use of the Plan and the Amendments.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. Receipt at the Meeting of reports to the Directors and auditors and the Corporation’s financial statements for its last completed financial year and the auditors’ report thereon will not constitute approval or disapproval of any matters referred to therein. If any matters which are not now known should properly come before the Meeting, the

accompanying Form of Proxy will be voted on such matters in accordance with the best judgment of the person voting it.

STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Corporation is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”) and the most highly compensated executive officer, other than the CEO and CFO, who was serving as an executive officer at the end of the financial year ended December 31, 2021 and whose total compensation exceeded \$150,000, for that financial year (collectively, “NEOs” or the “Named Executive Officers”) and for the Directors of the Corporation.

As of the year-ended December 31, 2021, the Corporation had two individuals that qualified as NEOs: Gary Lewis, President and CEO, and Natasha Tsai, CFO.

Summary Compensation Table

The following table is a summary of the compensation paid, directly or indirectly, to the Named Executive Officers and Directors of the Corporation for the two most recently completed financial years.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Fiscal Year ended December 30	Salary, Consulting Fees, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All other compensation (\$)	Total compensation (\$)
Gary Lewis <i>President & Chief Executive Officer</i> <i>Director</i>	2021 2020	198,872 ⁽¹⁾ 171,657 ⁽¹⁾	Nil Nil	Nil Nil	Nil Nil	Nil Nil	198,872 171,657
Natasha Tsai <i>Chief Financial Officer</i>	2021 2020	71,272 ⁽²⁾ 13,598 ⁽²⁾	Nil Nil	Nil Nil	Nil Nil	38,968 Nil	110,240 13,598
Paul Barbeau ⁽⁴⁾ <i>Former President & Chief Executive Officer and Director</i>	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	1,600.83 ⁽³⁾ 4,802.50 ⁽³⁾	1,600.83 4,802.50
David Chow ⁽⁴⁾ <i>Former CFO and Director</i>	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
John Kutkevicius <i>Director</i>	2021 2020	36,000 Nil	Nil Nil	Nil Nil	Nil Nil	25,979 Nil	61,979 Nil
Dr. Ian Pringle <i>Director</i>	2021 2020	100,571 Nil	Nil Nil	Nil Nil	Nil Nil	116,906 Nil	217,477 Nil
Henry Sandri <i>Director</i>	2021 2020	36,000 Nil	Nil Nil	Nil Nil	Nil Nil	64,947 Nil	100,947 Nil
Sheldon Inwentash <i>Director</i>	2021 2020	286,500 Nil	Nil Nil	Nil Nil	Nil Nil	233,812 Nil	520,312 Nil
Patrick Murphy ⁽⁴⁾ <i>Former Director</i>	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Michael Labiak ⁽⁴⁾ <i>Former Director</i>	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
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Notes:

- (1) Paid to ACT2 Pty Limited, a private company wholly owned/controlled by Mr. Lewis.
- (2) Paid to Malaspina Consultants Inc., a private company of which Ms. Tsai is a shareholder.
- (3) These amounts were paid to HyperNET, a company controlled by Mr. Barbeau. These amounts were paid in respect of bookkeeping and office services provided by HyperNET to the Corporation.
- (4) Messrs. Barbeau, Chow, Murphy and Labiak were executive officers and directors of NBS Capital Inc., the former name of the Corporation, until the completion of the qualifying transaction (the “QT”) with Electric Metals (USA) Limited on April 30, 2021. Each of their terms ended upon completion of the QT.

Stock Options and Other Compensation Securities

During the financial year ended December 31, 2021, the following compensation securities were granted or issued to the Directors and Named Executive Officers by the Corporation:

COMPENSATION SECURITIES							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class (#)	Date of Issue or Grant	Expiry Date	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at year end (\$)
Gary Lewis <i>President & Chief Executive Officer Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Natasha Tsai <i>Chief Financial Officer</i>	Stock Options ⁽¹⁾	150,000	May 7, 2021	May 6, 2031	0.33	0.33	0.33
Paul Barbeau ⁽²⁾ <i>Former President & Chief Executive Officer and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David Chow ⁽²⁾ <i>Former CFO and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Kutkevicius <i>Director</i>	Stock Options ⁽¹⁾	100,000	May 7, 2021	May 6, 2031	0.33	0.33	0.33
Dr. Ian Pringle <i>Director</i>	Stock Options ⁽¹⁾	450,000	May 7, 2021	May 6, 2031	0.33	0.33	0.33
Henry Sandri <i>Director</i>	Stock Options ⁽¹⁾	250,000	May 7, 2021	May 6, 2031	0.33	0.33	0.33
Sheldon Inwentash <i>Director</i>	Stock Options ⁽¹⁾	900,000	May 7, 2021	May 6, 2031	0.33	0.33	0.33
Patrick Murphy ⁽²⁾ <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael Labiak ⁽²⁾ <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) All stock options held by the directors were awarded during the fiscal year ended December 31, 2021.
- (2) Messrs. Barbeau, Chow, Murphy and Labiak were executive officers and directors of NBS Capital Inc., the former name of the Corporation, until the completion of the QT with Electric Metals (USA) Limited on April 30, 2021. Each of their terms ended upon completion of the QT.

Exercise of Stock Options and Other Compensation Securities

During the financial year ended December 31, 2021, the following compensation securities were exercised by the Directors and Named Executive Officers of the Corporation:

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NEOs							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price per Security (\$)	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference Between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$)
Gary Lewis <i>President & Chief Executive Officer Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Natasha Tsai <i>Chief Financial Officer</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Barbeau ⁽¹⁾ <i>Former President & Chief Executive Officer and Director</i>	Stock Option	167,900	0.10	April 29, 2021	0.33	\$0.23	38,617
David Chow ⁽¹⁾ <i>Former CFO and Director</i>	Stock Option	167,900	0.10	April 29, 2021	0.33	\$0.23	38,617
John Kutkevicius <i>Director</i>	Nil	131,400	0.10	April 29, 2021	0.33	\$0.23	30,222
Dr. Ian Pringle <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Henry Sandri <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sheldon Inwentash <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Patrick Murphy ⁽¹⁾ <i>Former Director</i>	Stock Option	131,400	0.10	April 29, 2021	0.33	\$0.23	30,222
Michael Labiak ⁽¹⁾ <i>Former Director</i>	Stock Option	131,400	0.10	April 29, 2021	0.33	\$0.23	30,222

Notes:

- (1) Messrs. Barbeau, Chow, Murphy and Labiak were executive officers and directors of NBS Capital Inc., the former name of the Corporation, until the completion of the QT with Electric Metals (USA) Limited on April 30, 2021. Each of their terms ended upon completion of the QT.

Pension Plan Benefits

For the most recently completed financial year, the Corporation did not have any pension or retirement benefit plans and none are proposed at this time.

Stock Option Plan and Other Incentive Plans

The Board of Directors of the Corporation may, from time to time, in its discretion, and in accordance with the requirements of the TSXVE, grant to Officers, Directors, employees and consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares exercisable for a period of up to 10 years from the date of grant. The number of Common Shares reserved for issuance to any individual Director or Officer will not exceed 5% of the issued and outstanding Common Shares. The number of Common Shares reserved for issuance to all consultants will not exceed 2% of the issued and outstanding Common Shares. Options representing not more than 10% of the issued and outstanding Common Shares may be granted to Insiders within any twelve-month period. Options granted to Officers, Directors, employees and consultants of the Corporation may be exercised within 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

Employment, Consulting and Management Agreements

On February 24, 2021, the Corporation entered into an agreement with Malaspina Consultants Inc. pursuant to which Natasha Tsai, the Corporation's CFO, agreed to provide certain consulting services to the Corporation. The agreement may be terminated by either party on 60 days written notice to the other party. Under the terms of the agreement, the fees for Malaspina's accounting and administrative consulting services were invoiced monthly based on hourly rates ranging from \$47 to \$220.

Other than as disclosed herein, there were no agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Corporation or any of its subsidiaries that were performed by a director, NEO or was performed by any other party but are services typically provided by a director or NEO.

Oversight and Description of Director and Named Executive Officer Compensation

The Board, with the recommendation of the compensation committee, determines the compensation payable to the NEOs and Directors of the Corporation and reviews such compensation annually.

For the fiscal year ending December 31, 2021, each non-executive Director was entitled to (i) an \$8,000 monthly fee in the case of the chair and \$4,000 monthly fee in the case of all other non-executive Directors; (ii) \$nil per day for each meeting attended in person; (iii) \$nil for each meeting attended by telephone upon furnishing an invoice for same; and (iv) reimbursement for travel and other meeting-related expenses and may, from time to time, be awarded stock options under the provisions of the Plan.

There are no other arrangements under which the Directors of the Corporation were compensated by the Corporation during the most recently completed financial year for their services in their capacity as Directors.

Compensation of Named Executive Officers

Principles of Executive Compensation

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Corporation's management team. The main objectives the Corporation hopes to achieve through its compensation are:

- to attract and retain executives critical to the Corporation's success, who will be key in helping the Corporation achieve its corporate objectives and increase shareholder value;
- to motivate the Corporation's management team to meet or exceed targets;
- to recognize the contribution of the Corporation's executive officers to the overall success and strategic growth of the Corporation; and
- to align the interests of management and the Corporation's shareholders by providing performance-based compensation in addition to salary.

It is one of the aims of the compensation strategy to ensure that executives of the Corporation are paid reasonably and consistent with the level of responsibility and authority which they assume and taking into account the role they play in advancing the strategic objectives of the Corporation.

For the fiscal year ending December 31, 2021, the compensation committee of the Board (the “**Compensation Committee**”) was composed of three directors, being John Kutkevicius and Sheldon Inwentash, each of whom is considered to be independent, and Dr. Ian Pringle who is not considered to be independent due to his role as an executive of the Corporation. The role of the Compensation Committee is to undertake periodic, independent reviews of market conditions to ensure that the executive officers of the Corporation are paid competitively relative to other comparable participants in the industry. When deemed necessary, the Compensation Committee may call upon outside resources to assist with these reviews and to ensure that the compensation packages available to executives are adequate to retain the existing compliment of executives and recruit others into this group as an integral part of facilitating and sustaining the continued growth of the Corporation.

The basic elements of the compensation strategy are base salary, annual incentives and long-term incentives.

Base Salary

On an individual basis, base salaries are reviewed for each executive officer, including the CEO, and where it is deemed necessary, changes are made. In order to ensure that base salaries paid are competitive relative to other similar positions within the mining industry in Canada, surveys of such salaries are examined. Other considerations taken into account when examining base salaries include years of experience, the potential contribution which the individual can make to the success of the Corporation and the level of responsibility and authority inherent in the job and the importance of maintaining internal equity within the organization.

Mr. Lewis was paid a base salary of \$240,000 per annum in his capacity as President & CEO, prorated for the time served from April 30, 2021 to December 31, 2021. Malaspina Consultants Inc., a private company of which Ms. Tsai is a shareholder, was paid a total of \$110,240 in respect of the year ended December 31, 2021 in respect of Ms. Tsai’s services as CFO.

Annual Incentives

The Compensation Committee may recommend bonuses be paid to Officers of the Corporation when their performance warrants additional consideration. No bonuses were paid with respect to the financial period ended December 31, 2021 or have ever been paid.

Long-term Incentives

Options to purchase the Common Shares of the Corporation encourage Officers to own and hold the Corporation’s Common Shares and are a method of linking the performance of the Corporation and the appreciation of share value to the compensation of the Officer. When determining the number of options granted to an Officer, items such as the relative position of the individual Officer, the contribution made by that Officer during the review period and the number of options granted previously would be taken into consideration.

The Compensation Committee recommends option grants to the Board. Pursuant to the Corporation’s Plan, the Corporation’s Board grants options to Directors, Officers, other employees and consultants as incentives. The level of stock options awarded to a Named Executive Officer is determined by their position and their potential future contributions to the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has implemented the Plan, described in more detail under the headings “*Statement of Executive Compensation – Stock Option Plan and Other Incentive Plans*” above. The following table sets out additional information with respect to the Plan as of December 31, 2021.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding security reflected in column (a)) (#)
Stock Option Plan ⁽¹⁾	10,257,463	0.54	4,249,319
Equity Compensation Plans Not Approved by Shareholders	Nil	Nil	Nil

Notes:

(1) The Plan is a 10% “rolling number” stock option plan – see “*Particulars of Matters to be Acted Upon at the Meeting – Approval of Stock Option Plan*” for more information. In addition to the re-approval of the use of the Plan, the shareholders will be asked to approve certain amendments to bring the Plan into technical compliance with the Amended Policy.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No person who is now, or was at any time since the beginning of the most recently completed financial year of the Corporation has been, a director, executive officer or senior officer of the Corporation, or associate thereof, been indebted to the Corporation, or had indebtedness during that period which was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

AUDITORS

The external auditor of the Corporation is Baker Tilly WM LLP, Chartered Accountants. Baker Tilly WM LLP, Chartered Accountants were first appointed as the Corporation’s auditor effective January 11, 2021.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the Directors or senior Officers of the Corporation, nor any proposed Director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation’s last completed fiscal year or in any proposed transaction which, in either case, has or will materially affect the Corporation.

MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by senior Officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

DISCLOSURES RELATING TO CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 – *Corporate Governance Guidelines* (“NP 58-201”) and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) set out a series of guidelines for effective corporate governance. The guidelines address matters such as the constitution and independence of corporate boards, the function to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each reporting issuer of its approach to corporate governance with reference to the guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of conformity. The following disclosure is provided in accordance with the corporate governance disclosure prescribed by Form 58-101F2 of NI 58-101.

Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is defined as a relationship, which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment.

The Board is currently comprised of five members. The Board has determined that the Board will consist of five persons to be elected at the Meeting until the next annual meeting of shareholders of the Corporation and has nominated that number of individuals for election at the Meeting. Under NI 58-101 and NP 58-201, all of the Directors are considered “independent” as that term is defined therein, except Dr. Ian Pringle and Dr. Sandri who are not considered to be independent due to their roles as executives of the Corporation.

Directorships

Certain of the Directors of NSC are also directors of other reporting issuers in a Canadian jurisdiction (or the equivalent in a foreign jurisdiction) as follows:

<u>Name of Director</u>	<u>Other reporting issuer (or equivalent in a foreign jurisdiction)</u>
John Kutkevicius	Mandeville Ventures Inc.
Sheldon Inwentash	Tenet Fintech Group Inc. Auxico Resources Canada Inc. ImaginAr Inc.

Nomination of Directors

The Board performs the functions of a nominating committee and is responsible for the appointment and assessment of Directors. The Board believes that this is a practical approach at this stage of NSC’s development and given the small size of the Board. While there are no specific criteria for Board membership, NSC attempts to attract and maintain Directors with business knowledge and an established knowledge of mineral exploration and development, or other areas such as finance, which would assist in guiding the Officers of NSC.

As such, nominations tend to be the result of recruitment efforts by management of NSC and discussions among Directors prior to the consideration by the Board as a whole.

Policies Regarding the Representation of Women on the Board and in Executive Officer Positions

The Corporation has not adopted a written policy relating to the identification and nomination of women Directors and executive Officers. The Corporation has not adopted a target regarding women on the board and in executive officer positions. Given the small size of the Corporation’s management team, which consists primarily of the CEO and CFO, the Board believes adopting a target regarding women in executive officer positions is not practical at this stage in the Corporation’s development.

As at April 30, 2022 the Corporation had a female CFO and no female Directors.

Director Term Limits

The Corporation has not adopted term limits or other mechanisms for Board renewal. The Board believes that term limits are not practical at this stage of the Corporation’s development.

Board’s Relations with Management

The interaction between Management and Board members, both inside and outside of meetings of the Board, ensures that the Board is properly informed and that the Board members’ experience is brought to bear when needed by management.

The Board remains sensitive to corporate governance issues and seeks to set up the necessary structures to ensure the effective discharge of its responsibilities without creating additional overhead costs or reducing the return on shareholders’ equity. The Board is committed to ensuring the long-term viability of NSC, as well as the well-being of its consultants and of the communities in which it operates. The Board has also adopted a policy of permitting individual Directors under appropriate circumstances to engage legal, financial or other expert advisors at NSC’s expense.

Director Compensation

Refer to “*Executive Compensation – Compensation Discussion and Analysis*” for a discussion of the steps taken to determine the compensation of the NEOs of NSC. Refer to “*Executive Compensation – Director Compensation*” for a discussion of the steps taken to determine the compensation of the Directors of NSC.

Director Assessment

The Board assesses, on an annual basis, the contribution of the Board as a whole and each of the individual Directors, in order to determine whether each is functioning effectively.

Director Orientation and Continuing Education

NSC does not provide a formal orientation and education program for new Directors. However, new Directors are given an opportunity to familiarize themselves with NSC by visiting the corporate offices, meeting with other Directors, reviewing the rules and regulations of the stock exchange where the shares are listed, and reviewing the corporate by-laws. Moreover, new Directors are encouraged to speak with NSC’s solicitors to become familiarized with their legal responsibilities as Directors.

Ethical Business Conduct

The role of the Board is to oversee the conduct of NSC’s business, to set corporate policy and to supervise management, which is responsible to the Board for the day-to-day conduct of business. However, given the size of the Corporation, all material transactions are addressed at the Board level. The Board discharges five specific responsibilities as part of its overall “stewardship responsibility”. These are:

- (1) Strategic Planning Process: Given NSC’s size, the strategic plan is elaborated directly by management, with input from and assistance of the Board;
- (2) Managing Risk: The Board directly oversees most aspects of the business of NSC and thus does not require the elaboration of “systems” or the creation of committees to effectively monitor and manage the principal risks of all aspects of the business of NSC;
- (3) Appointing, Training and Monitoring Senior Management: No elaborate system of selection, training and assessment of management has been established, as those would prove too costly; however, the Board closely monitors management’s performance, which is measured against the overall strategic plan, through reports by and regular meetings with management;
- (4) Communication Policy: It is and has always been the unwritten policy of the Board to communicate effectively with its shareholders, other stakeholders, and the public generally through statutory filings and mailings, as well as news releases; the shareholders are also given an opportunity to make comments or suggestions at shareholder meetings; these comments and suggestions are then factored into the Board’s decisions; and
- (5) Ensuring the Integrity of NSC’s Internal Control and Management Information System: Given the involvement of the Board in operations, the reports from and the meetings with management, the Board can effectively track and monitor the implementation of approved strategies.

DISCLOSURES RELATING TO AUDIT COMMITTEE

National Instrument 52-110 – Audit Committees (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. The following disclosure is provided in accordance with the audit committee disclosure prescribed by Form 52-110F2 of NI 52-110.

Audit Committee Charter and Composition

The Board has established an Audit Committee consisting of three Directors of the Corporation, the majority of whom are not Officers, employees or control persons of the Corporation.

For the year-ended December 31, 2021, John Kutkevicius, Dr. Henry Sandri and Sheldon Inwentash were members of the Audit Committee and were “financially literate” as defined in NI 52-110. Mr. Kutkevicius and Mr. Inwentash are considered “independent” Directors, as defined in NI 52-110, while Dr. Sandri is not considered independent as he is the Chief Operating Officer of the Corporation.

Pursuant to NI 52-110, a person is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements.

As a “venture issuer”, as defined in NI 52-110, the Corporation is relying on an exemption provided in section 6.1 thereunder from certain disclosure requirements and requirements regarding the composition of the audit committee, including the requirement that all members qualify as “independent”.

The responsibilities and operation of the Audit Committee are set out in the Corporation’s Audit Committee charter (see Appendix “A”).

Relevant Education and Experience

Dr. Henry Sandri – 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

Sheldon Inwentash – 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, his philanthropy, and inspirational commitment to making a difference in the lives of children, youth and their families.

John Kutkevicius – Mr. Kutkevicius is a lawyer with over 30 years of experience, currently practicing with the Toronto law firm of Wildeboer Dellelce LLP in the area of income tax law. Mr. Kutkevicius has a considerable amount of experience on boards of public companies. From April 2013 until June 2019 Mr. Kutkevicius served as a director of Barkerville Gold Mines Ltd. (TSXV:BGM) and has previously served as director and Chair of the audit committee of Chariot Resources Limited (TSX:CHD) between December 2004 and June 2010, and as director and member of the audit committee of Changfeng Energy Inc. (TSXV:CFY) between June of 2012 and June of 2015. 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 Masters of Law degree (in taxation) from York University.

In addition to the background and experience noted with respect to each member of the Audit Committee, all members of the Audit Committee have direct access to the Corporation’s auditors and to the Corporation’s management.

Audit Committee Oversight

Since the commencement of the most recently completed financial year, the Board adopted all the recommendations of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the most recently completed financial year, the Corporation did not rely on an exemption provided under Section 2.4 (*De Minimis Non-audit Services*) of NI 52-110, nor has the Corporation obtained or relied upon any exemption from a securities regulatory authority or regulator from the requirements of Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures regarding the engagement of non-audit services, but does review such matters as they arise in light of factors such as the Corporation’s current needs, the availability of services from other sources and the other services provided by the Corporation’s auditor.

EXTERNAL AUDITOR SERVICES FEES

The following table sets out the aggregate fees billed by the Corporation’s external auditor during each of the last two fiscal years.

Category of Fees	Year Ended December 31, 2021 (\$)	Year Ended June 30, 2020 (\$)
Audit Fees ⁽¹⁾	64,900	14,509.20
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	1,088.19
All Other Fees ⁽⁴⁾	Nil	Nil

Notes:

- (1) Fees billed by the Corporation’s external auditor during the fiscal year. In connection with the QT, the Corporation changed its year end to December 31.
- (2) Fees billed during the fiscal year for assurance and related services by the Corporation’s external auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not reported under “Audit Fees”.
- (3) Fees billed during the fiscal year for services rendered by the Corporation’s external auditor for tax compliance, tax advice and tax planning.
- (4) Aggregate fees billed during the fiscal year for products and services provided by the Corporation’s external auditor, other than the services reported under “Audit Fees”, “Audit-Related Fees” and “Tax Fees”.

DISCLOSURE RELATING TO DIVERSITY

In 2019, amendments to the Act were adopted requiring disclosure with respect to certain identifiable groups on the Board of Directors and in senior management positions with NSC. The following is the required disclosure in accordance with the Act.

Legislation regarding diversity disclosure under the Act (all section references are to the Act):

- **72.2 (1)** The following definitions apply in this Part.

designated groups means women, Aboriginal peoples, persons with disabilities and members of visible minorities

major subsidiary means, in respect of a distributing corporation, a subsidiary that

- (a) has assets, as included in the distributing corporation’s most recent annual audited or interim balance sheet or most recent statement of financial position, that are 30 percent or more of the consolidated assets of the distributing corporation reported on that balance sheet or statement of financial position, as the case may be; or
- (b) has revenue, as included in the distributing corporation’s most recent annual audited or interim income statement or most recent statement of comprehensive income, that is 30 percent or more of the consolidated revenue of the distributing company reported on that statement. (*filiale importante*)

- **(2)** For the purposes of subsection 172.1(1) of the Act, a ***distributing corporation*** is a prescribed corporation.

- (3) For the purpose of subsection 172.1(1) of the Act, **members of senior management** means, in respect of a distributing corporation, the following individuals:
 - (a) the chair and vice-chair of the board of directors;
 - (b) the president of the corporation;
 - (c) the chief executive officer and chief financial officer;
 - (d) the vice-president in charge of a principal business unit, division or function, including sales, finance or production; and
 - (e) an individual who performs a policy-making function in respect of the corporation.
- (4) For the purpose of subsection 172.1(1) of the Act, the following information is prescribed:
 - (a) indication of whether or not the distributing corporation has adopted term limits for the directors on its board or other mechanisms of board renewal and, as the case may be, a description of those term limits or mechanisms or the reasons why it has not adopted them;

NSC – The Corporation has not adopted term limits for Directors and does not support the adoption of quotas or targets regarding representation by the Designated Groups on the Board or in senior management positions. All such appointments and renewals are made based on merit, in the context of the skills, experience, independence, knowledge and other qualities which the Corporation as a whole requires to be effective, with due regard for the benefits of diversity (including the level of representation by members of the Designated Groups). In the Corporation’s case, it has only recently commenced operations as public company (April 30, 2021) and is still in the process of establishing its business with its current board of directors. Any term limit policy adopted at this time could inhibit the Board’s ability to meet its growth targets. The Corporation will consider adopting term limits when it is more firmly established as a senior issuer.

- (b) indication of whether or not the distributing corporation has adopted a written policy relating to the identification and nomination of members of designated groups for directors and, if it has not adopted a written policy, the reasons why it has not adopted the policy;

NSC – The Corporation recognizes the benefits of having a diverse Board and management. Due to the relatively small size of the Board and stage of development of the Corporation, it has not adopted a formal diversity policy in respect of the Designated Groups, and instead has sought to increase diversity through the recruitment efforts of its Officers and Directors. The Corporation remains receptive to increasing the diversity of the Board and management taking into account the skills, background, experience and knowledge desired at any particular time by the Board and its committees. As in the case of director term limits, due to the early stage of development of the Corporation as a public company, a written policy regarding the identification and nomination of designated groups at this time could inhibit the ability of the current board to meet the Corporation’s growth targets.

- (c) if the distributing corporation has adopted the written policy referred to in paragraph (b),
 - (i) a short summary of the policy’s objectives and key provisions,
 - (ii) a description of the measures taken to ensure that the policy is effectively implemented,
 - (iii) a description of the annual and cumulative progress by the distributing corporation in achieving the objectives of the policy, and
 - (iv) whether or not the board of directors or its nominating committee measures the effectiveness of the policy and, if so, a description of how it is measured;

NSC – Not applicable.

- (d) whether or not the board of directors or its nominating committee considers the level of the representation of designated groups on the board in identifying and nominating candidates for election or re-election to the board and, as the case may be, how that level is considered or the reasons why it is not considered;

NSC – The Corporation considers the representation of the Designated Groups in identifying and nominating new directors and members of senior management. In order to gather the information required to assess levels of diversity for the Corporation to comply with the new diversity disclosure requirements under the CBCA, exiting and proposed Directors and members of senior management of the Corporation will be asked whether they self-identify as belonging to one or more of the designated groups, on a voluntary basis. All responses will be considered in the context of the broader skills matrix sought by the Corporation for its respective positions from time to time.

- (e) whether or not the distributing corporation considers the level of representation of designated groups when appointing members of senior management and, as the case may be, how that level is considered or the reasons why it is not considered;

NSC – The Corporation considers the representation of the Designated Groups in identifying and nominating new Directors and members of senior management. In order to gather the information required to assess levels of diversity for the Corporation to comply with the new diversity disclosure requirements under the CBCA, exiting and proposed Directors and members of senior management of the Corporation will be asked whether they self-identify as belonging to one or more of the designated groups, on a voluntary basis. All responses will be considered in the context of the broader skills matrix sought by the Corporation for its respective positions from time to time.

- (f) whether or not the distributing corporation has, for each group referred to in the definition of *designated groups*, adopted a target number or percentage, or a range of target numbers or percentages, for members of the group to hold positions on the board of directors by a specific date and
 - (i) for each group for which a target has been adopted, the target and the annual and cumulative progress of the corporation in achieving that target, and
 - (ii) for each group for which a target has not been adopted, the reasons why the corporation has not adopted that target;

NSC – The Board has not adopted a target number or percentage, or a range of target numbers or percentages, for members of the group to hold positions on the board of directors by a specific date. Due to the early stage of development of the Corporation as a public company, a written policy regarding the identification and nomination of designated groups at this time could inhibit the ability of the current Board to meet the Corporation's growth targets.

- (g) whether or not the distributing corporation has, for each group referred to in the definition *designated groups*, adopted a target number or percentage, or a range of target numbers or percentages, for members of the group to be members of senior management by a specific date and,
 - (i) for each group for which a target has been adopted, the target and the annual and cumulative progress of the corporation in achieving that target, and
 - (ii) for each group for which a target has not been adopted, the reasons why the corporation has not adopted that target;

NSC – The Board has not adopted a target number or percentage, or a range of target numbers or percentages, for members of the group to hold positions in senior management by a specific date. Due to the early stage of development of the Corporation as a public company, a written policy regarding the identification and nomination of designated groups at this time could inhibit the ability of the current board to meet the Corporation's growth targets.

- (h) for each group referred to in the definition *designated groups*, the number and proportion, expressed as a percentage, of members of each group who hold positions on the Board of Directors; and

NSC – None of the Directors of the Corporation currently serving as at April 30, 2022 identify as being a member of any of the four Designated Groups.

- (i) for each group referred to in the definition *designated groups*, the number and proportion, expressed as a percentage, of members of each group who are members of senior management of the distributing corporation, including all of its major subsidiaries.

NSC – Fifty percent (50%) of the Corporation's senior management, being the Chief Financial Officer, identifies as

belonging to one of the four Designated Groups, that being “women”.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is filed on the Corporation’s SEDAR profile accessible at www.SEDAR.com. Financial information is provided in the Corporation’s comparative financial statements and in its management discussion and analysis (“**MD&A**”) for its most recently completed financial year.

Shareholders may request copies of such financial statements and MD&A by mailing a request to: Nevada Silver Corporation, 130 Spadina Avenue, Suite, 401, Toronto, Ontario, M5V 2L4.

DIRECTORS’ APPROVAL

The contents and sending of this Circular have been approved by the Board.

DATED at Toronto, Ontario on April 30, 2022.

(Signed) “Gary Lewis”

Gary Lewis

Director, President & Chief Executive Officer

APPENDIX “A”

CHARTER OF THE AUDIT COMMITTEE OF NEVADA SILVER CORPORATION (the “Corporation”)

Role and Mandate

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of the Corporation to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee are as follows:

1. to assist Board in meeting its responsibilities in respect of the preparation and disclosure of the financial statements of the Corporation and related matters;
2. to provide effective communication between directors and external auditors;
3. to enhance the external auditor's independence;
4. to review the credibility and objectivity of financial reports; and
5. to strengthen the role of the outside directors by facilitating discussions between directors on the Committee, management and external auditors.

Membership of Committee

1. The Committee shall be comprised of at least three (3) directors of the Corporation, the majority of whom are not members of management of the Corporation and are “independent” (as such term is used in National Instrument 52-110 - Audit Committees (“**NI 52-110**”) in reliance of the exemptions afforded to venture issuers under NI 52-110.
2. The Board shall have the power to appoint the Committee Chair, who shall be an unrelated director.
3. All of the members of the Committee shall be “financially literate”. The Board has adopted the definition for “financial literacy” used in NI 52-110.
4. Any members of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.

Meetings

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Committee or the Board.

4. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee shall be taken and shall be made available to the board. The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.
5. Agendas, approved by the Chair, shall be circulated to the Committee members along with background information on a timely basis prior to the Committee meetings.
6. The Committee shall forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.
7. The Committee shall meet with the external auditor at least quarterly (including without management present) and at such other times as the external auditor and the Committee consider appropriate.
8. The auditor of the Corporation is entitled to receive notice of every meeting of the Committee and be heard thereat.
9. Meetings may be held by way of telephone or video conference call.
10. A written resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee is as valid as one passed at a Committee meeting.

Mandate and Responsibilities of Committee

1. It is the responsibility of the Committee to oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting.
2. It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to the Corporation's internal control systems, including:
 - identifying, monitoring and mitigating business risks; and
 - ensuring compliance with legal, ethical and regulatory requirements.
3. It is a primary responsibility of the Committee to review the annual and interim financial statements of the Corporation and the notes thereto prior to their submission to the Board for approval. The process should include but not be limited to:
 - reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
 - reviewing significant accruals, reserves or other estimates such as the ceiling test calculation and reserves with respect to environmental matters;
 - reviewing accounting treatment of unusual or non-recurring transactions;
 - ascertaining compliance with covenants under loan agreements;
 - reviewing disclosure requirements for commitments and contingencies;
 - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - reviewing unresolved differences between management and the external auditors; and
 - obtaining explanations of significant variances with comparative reporting periods.

4. The Committee is to review the financial statements, prospectuses, management discussion and analysis (“MD&A”), annual information forms (“AIF”), annual reports and all public disclosure containing audited or unaudited financial information before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of all other financial information and shall periodically assess the accuracy of those procedures. The Committee shall also review the Corporation's policies and procedures for making and updating disclosures on the Corporation's website and shall periodically assess the adequacy and accuracy of such policies and procedures.
5. With respect to the appointment of external auditors by the board, the Committee shall:
 - ensure the auditor's ultimate accountability to the Board and the Committee as representatives of the shareholders and as such representatives, to evaluate the performance of the auditor;
 - recommend to the Board the appointment of the external auditors;
 - recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors shall report directly to the Committee;
 - when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
 - review and approve any non-audit services to be provided by the external auditors' firm and consider the impact on the independence of the auditors;
 - ensure that the auditor submits on a periodic basis to the Committee, a formal written statement delineating all relationships between the auditor and the Corporation, consistent with Canadian and other applicable auditor independence standards, and to review such statement and to actively engage in a dialogue with the auditor with respect to any undisclosed relationships or services that may impact on the objectivity and independence of the auditor, and to review the statement and dialogue with the Board and recommend to the Board appropriate action to ensure the independence of the auditor;
 - provide a line of communication between the auditors and the Board; and
 - meet with the auditors at least once per quarter without management present to allow a candid discussion regarding any concerns the auditors may have and to resolve any disagreements between the auditor and management regarding the Corporation's financial reporting.
6. Review with external auditors (and internal auditor if one is appointed by the Corporation) their assessment of the internal controls of the Corporation, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Corporation and its subsidiaries.
7. The Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the external auditors. The Committee may delegate to one or more members the authority to pre-approve non-audit services, provided that the member report to the Committee at the next scheduled meeting such pre-approval and the member comply with such other procedures as may be established by the Committee from time to time.
8. The Committee shall review risk management policies and procedures of the Corporation (i.e. hedging, litigation and insurance).
9. The Committee shall establish a procedure for:

- the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
10. The Committee shall review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation.
 11. The Committee shall have the authority to investigate any financial activity of the Corporation. All employees of the Corporation are to cooperate as requested by the Committee.
 12. The Committee shall review all related party transactions.
 13. The Committee shall review the status of taxation matters of the Corporation and its major subsidiaries.
 14. The Committee shall review the short term investment strategies respecting the cash balance of the Corporation.
 15. The Committee shall conduct or undertake such other duties as may be required from time to time by any applicable regulatory authorities, including the TSXV.
 16. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at the expense of the Corporation without any further approval of the board.

NEVADA SILVER CORPORATION
(formerly NBS Capital Inc.)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Nevada Silver Corporation (formerly NBS Capital Inc.):

Opinion

We have audited the consolidated financial statements of Nevada Silver Corporation (formerly NBS Capital Inc.) and its subsidiaries (together the “Company”), which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes events and conditions indicating 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion & Analysis filed with the relevant Canadian securities commissions.

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 and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Anna C. Moreton.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
May 2, 2022

NEVADA SILVER CORPORATION
(formerly NBS Capital Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at	Note	December 31, 2021 \$	December 31, 2020 \$
ASSETS			
Current assets			
Cash		301,568	9,134
Receivables		29,005	15,009
Prepaid expenses		73,439	23,181
		404,012	47,324
Exploration and evaluation assets	7	6,428,291	4,042,426
Equipment		1,848	-
Total assets		6,834,151	4,089,750
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12	804,731	937,071
Loans from related parties	8	240,234	486,290
		1,044,965	1,423,361
SHAREHOLDERS' EQUITY			
Share capital	9	11,132,159	4,064,317
Share-based payments reserve	9	600,142	-
Foreign currency translation reserve		(41,397)	(70,295)
Deficit		(5,901,718)	(1,327,633)
		5,789,186	2,666,389
Total liabilities and shareholders' equity		6,834,151	4,089,750

Nature of operations and going concern (Note 1)
Subsequent events (Note 17)

Approved and authorized on behalf of the Board of Directors on April 29, 2022

"Gary Lewis" Director

"John Kutkevicius" Director

NEVADA SILVER CORPORATION
(formerly NBS Capital Inc.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

	Note	2021 \$	2020 \$
EXPENSES			
Consulting fees	12	118,754	3,562
Directors fees	12	557,372	294,819
Exploration and evaluation costs		-	172,445
Filing fees		68,795	9,927
Interest and bank charges	8	21,548	19,316
Depreciation		109	-
Marketing		150,232	23,429
Office expenses		99,569	63,543
Rent		30,747	11,715
Professional fees	12	1,000,829	326,937
Share-based compensation	9, 12	582,878	89,725
Travel		51,286	2,070
LOSS BEFORE OTHER INCOME (EXPENSE)		(2,682,119)	(1,017,488)
OTHER INCOME (EXPENSES)			
Debt forgiveness		-	13,840
Borrowing costs		-	(19,280)
Foreign exchange gain (loss)		(16,535)	450
Interest income		3,973	-
Listing expense	4	(1,879,404)	-
Recovery of expenses		-	94,204
		(1,891,966)	89,214
NET LOSS FOR THE YEAR		(4,574,085)	(928,274)
OTHER COMPREHENSIVE INCOME (LOSS)			
ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT (LOSS):			
Exchange difference on translation of foreign operations		28,898	(65,735)
COMPREHENSIVE LOSS FOR THE YEAR		(4,545,187)	(994,009)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.08)	(0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		58,777,834	31,270,166

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

NEVADA SILVER CORPORATION
(formerly NBS Capital Inc.)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars, except for share figures)

	Note	Number of Shares #	Share Capital \$	Share-based payments reserve \$	Foreign Currency Translation Reserve \$	Deficit \$	Total \$
Balance, December 31, 2019		10,000,000	1	-	(4,560)	(399,359)	(403,918)
Shares issued for cash	9	6,796,840	978,035	-	-	-	978,035
Share issue costs	9	503,500	(33,020)	-	-	-	(33,020)
Shares issued to settle debt	9	100,000	19,280	-	-	-	19,280
Shares issued for services	9	925,000	193,273	-	-	-	193,273
Shares issued for acquisition of exploration and evaluation assets	8	19,934,744	1,745,037	-	-	-	1,745,037
Shares issued for consulting fees - exploration and evaluation assets	8	5,130,511	1,071,986	-	-	-	1,071,986
Share-based compensation	9	429,425	89,725	-	-	-	89,725
Net and comprehensive loss for the year		-	-	-	(65,735)	(928,274)	(994,009)
Balance, December 31, 2020		43,820,020	4,064,317	-	(70,295)	(1,327,633)	2,666,389
Shares issued for reverse takeover	4	6,171,250	2,036,513	-	-	-	2,036,513
Shares issued pursuant to private placement	9	15,301,923	5,049,635	-	-	-	5,049,635
Share issuance costs	9	-	(264,064)	32,022	-	-	(232,042)
Shares issued for services	9, 12	650,000	214,500	-	-	-	214,500
Exercise of stock options	9	50,000	31,258	(14,758)	-	-	16,500
Share-based compensation	9	-	-	582,878	-	-	582,878
Net and comprehensive loss for the year		-	-	-	28,898	(4,574,085)	(4,545,187)
Balance, December 31, 2021		65,993,193	11,132,159	600,142	(41,397)	(5,901,718)	5,789,186

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

NEVADA SILVER CORPORATION
(formerly NBS Capital Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

	Note	2021 \$	2020 \$
Operating activities:			
Net loss for the year		(4,574,085)	(928,274)
Items not affecting cash:			
Accrued interest expense	8	14,330	18,767
Borrowing costs paid with shares	8	-	19,280
Debt forgiveness		-	(13,840)
Deposit received		-	(47,043)
Depreciation		109	-
Services paid with shares	9	214,500	193,273
Share-based compensation	9	582,878	89,725
Listing expense	4	1,879,404	
Changes in non-cash working capital related to operations:			
Receivables		11,004	(13,991)
Prepaid expenses		(42,659)	(23,181)
Accounts payable and accrued liabilities		(301,891)	(77,958)
Net cash used in operating activities		(2,216,410)	(783,242)
Investing activities:			
Exploration and evaluation assets acquisition and exploration costs		(2,365,410)	(468,039)
Equipment		(1,957)	-
Cash acquired from asset acquisitions	5, 6	-	41,381
Cash acquired from reverse takeover	4	81,040	-
Sale of short-term investments from reverse takeover	4	203,952	-
Net cash used in investing activities		(2,082,375)	(426,658)
Financing activities:			
Shares issued for cash, net of issue costs	9	4,817,593	788,263
Stock option exercise	9	16,500	-
Loan proceeds		-	3,788
Loan repayments to related parties	8	(250,804)	-
Loan proceeds from related parties	8	7,930	424,338
Net cash provided by financing activities		4,591,219	1,216,389
Increase in cash during the year		292,434	6,489
Cash – beginning of the year		9,134	2,645
Cash – end of the year		301,568	9,134
Income taxes paid		-	-
Interest paid		21,708	-

Non-cash transactions (Note 13)

NEVADA SILVER CORPORATION
(formerly NBS Capital Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Nevada Silver Corporation (formerly NBS Capital Inc.) (“NSC”) was incorporated under the Canada Business Corporations Act on March 1, 2018. The Company’s head office is located at 130 Spadina Avenue, Suite 401, Toronto, ON M5V 2L4. These consolidated financial statements include the financial information of NBS and its wholly-owned and controlled subsidiaries, Electric Metals (USA) Limited (“EML”), Electric Metals (USA) Inc., North American Silver Corp. (“NAS”), Centennial Mining Inc., and North Star Manganese Inc. (“NSM”) (together the “Company”). The Company’s common shares are listed on the TSX Venture Exchange (the “TSXV”) under the symbol “NSC”.

On April 30, 2021, the Company completed a reverse takeover transaction (the “RTO” or the “Transaction”) with EML, pursuant to which the Company acquired all of the issued and outstanding common shares of EML. Upon completion of the Transaction, the consolidated entity has continued to carry on the business of EML which is the exploration and development of mineral properties in the USA. Refer to Note 4.

These consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At December 31, 2021, the Company had accumulated losses of \$5,901,718 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and the Company’s ability to raise new capital. These events and conditions indicate a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern.

Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been presented in accordance with International Financial Reporting Standards (“IFRS”) and related interpretations of the IFRS Interpretations Committee (“IFRIC’s”) as issued by the International Accounting Standards Board (“IASB”).

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These consolidated financial statements were approved by the board of directors for issue on April 29, 2022.

b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

c) Consolidation

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

d) Foreign currencies

The functional currency and the presentation currency of the Company is the Canadian Dollar. The functional currency of EML is the Australia dollar ("AUD"), while the functional currency of Electric Metals (USA) Inc., NAS, Centennial Mining Inc. and NSM is the US dollar ("USD"). Those functional currencies are the currencies of the primary economic environments in which each of the companies operate.

Entities whose functional currencies differ from the functional currency of the Company are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive income (loss) and accumulated in foreign currency translation reserve.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in foreign currency translation reserve related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in foreign currency translation reserve related to the subsidiary are reallocated between controlling and non-controlling interests.

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e) Equipment

Equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Costs include any costs directly attributable to bringing the asset to the location and condition for it to be capable of operating in the manner intended by management. Depreciation is calculated using the straight-line method to allocate their cost net of their residual values over their estimated useful lives as follows:

- Computer equipment – 3 years

Depreciation methods, useful lives, and residual values are reviewed at each financial year-end and any changes in previous estimates are accounted for prospectively.

f) Financial instruments

Recognition and classification

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial asset debt instruments is driven by the Company’s business model for managing those financial assets and the contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

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Measurement

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Financial assets at FVTOCI

Investments in equity instruments classified at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment, using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial instrument, or where appropriate, a shorter period.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability

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derecognized and the consideration paid and payable, including any non-cash assets, is recognized in profit or loss.

g) Exploration and evaluation assets

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property. These direct expenditures include such costs as materials used, surveying, drilling, and payments made to contractors during the exploration phase. Costs not directly attributed to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mine under construction.” Exploration and evaluation assets are tested for impairment before the assets are transferred.

Exploration and evaluation assets are classified as intangible assets.

h) Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at December 31, 2021 and 2020, the Company has no known material restoration, rehabilitation or environmental liabilities related to its exploration and evaluation assets.

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i) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

The lease liability is recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

j) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Equity-settled common share options and warrants issued by the Company are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to incomplete share subscriptions are charged to operations.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company allocates unit offering proceeds between common shares and share purchase warrants using the residual value method, with the common shares being valued first and the balance, if any, allocated to the attached warrants.

Warrants issued to agents or brokers on a non-cash basis in connection with share capital financings are recorded at fair value using the Black-Scholes option pricing model and charged against share capital as issue costs with an offsetting increase to share-based payments reserve.

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k) Earnings (loss) per share

Basic earnings (loss) per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted earnings per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of those instruments would not be anti-dilutive. Diluted loss per share is equal to basic loss per share, as the effect of potentially dilutive instruments would be anti-dilutive.

l) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity-settled share options or warrants are granted to non-employees, they are recorded at the fair value of the goods or services received. Amounts related to the issuance of shares are recorded as a reduction of share capital, amounts related to the acquisition of assets are capitalized to the asset, and current period services are expensed to profit or loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the equity instrument is measured. The expected life used in the valuation model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to share capital, adjusted for any consideration paid. Upon expiry, the amount reflected in share-based payments reserve is not reclassified to another component of equity.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an

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acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

For non-cash transactions paid by consideration in the form of the Company's common shares the transaction is measured at the date the Company obtains the goods or the counterparty renders services. Where the fair value of the good or services cannot be estimated reliably, the transaction is measured at the fair value of the common shares, where a quoted price is not available fair value is determined by reference to a recently completed cash transaction.

m) Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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n) New financial reporting standards and interpretations:

There are no new standards not yet adopted that are expected to have a material impact on the Company's consolidated financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

a) Critical Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Going concern assumption

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to fund future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments may be necessary to the carrying value of assets and liabilities, reported expenses and the consolidated statement of financial position classifications used.

Impairment of exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

Issuances of shares for goods and services

Management makes judgments in determining the share price attributed to issuances of shares for goods and services. Management considers market conditions, recent or pending private placements of

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the Company, and or contracted terms of the issuance. Should management's judgment as to an appropriate share price be incorrect, the value attributed could be materially different.

Asset acquisitions

The assessment of whether an acquisition meets the definition of a business or an asset is an area of key judgment. In the acquisitions of NAS, Centennial Mining Inc. and NSM, judgment was required to determine if the acquisitions represented business combinations or asset acquisitions. More specifically, management concluded that NAS, Centennial Mining Inc. and NSM did not represent businesses as the assets acquired were not an integrated set of activities with inputs, processes and outputs. Since it was concluded that the transactions (Notes 5 and 6) represented the acquisitions of assets, there was no goodwill recognized and the transaction costs were capitalized to the assets purchased rather than expensed.

The RTO

The determination of the acquirer in the RTO is subject to judgment and requires the Company to determine which party obtains control of the combining entities. Management applies judgment in determining control by assessing the following three factors: whether the Company has power over EML; whether the Company has exposure or rights to variable returns from its involvement with EML; and whether the Company has the ability to use its powers over EML to affect the amount of its returns. In exercising this judgment, EML was deemed to be the acquirer in the Transaction.

Management has had to apply judgment relating to acquisitions with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of the acquisition in order to reach a conclusion. The Transaction was accounted for as a reverse acquisition and the difference between the fair value of net assets acquired and the consideration paid was recorded as a listing expense (Note 4).

b) Key Sources of Estimation Uncertainty

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

Share-based compensation

The Company measures the value of equity-settled transactions with employees, and with non-employees when the fair value of the goods or services received is not determinable, by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

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4. REVERSE TAKEOVER

On April 30, 2021, the Company completed the RTO with EML, an unlisted public company incorporated under the laws of New South Wales, Australia, by way of a Court-approved definitive scheme implementation agreement (the “Arrangement Agreement”) under the laws of Australia. Pursuant to the Arrangement Agreement, the Company acquired all of the issued and outstanding ordinary shares of EML, and EML became a wholly-owned subsidiary of the Company.

Prior to completing the Transaction, the Company changed its name to Nevada Silver Corporation and consolidated its common shares on the basis of 0.73271 (new) common shares for every one (old) common share (the “Consolidation”). Pursuant to the terms of the Arrangement Agreement, all outstanding shares of EML were exchanged for post-Consolidation common shares of the Company on a one-for-one basis. On May 5, 2021, the TSXV issued a Final Exchange Bulletin accepting the Transaction, and approving NSC shares to begin trading on the TSXV on May 7, 2021.

Prior to completing the Transaction, NSC advanced an unsecured loan of \$25,000 to EML in order for EML to satisfy property payments and other obligations during the process of completing the Transaction. The loan was evidenced by a promissory note, which contained customary events of default. The loan has been eliminated for consolidated financial statement purposes.

As a result of the Transaction, the former shareholders of EML, for accounting purposes, were considered to have acquired control of NSC. Accordingly, the acquisition of EML was accounted for as a reverse takeover that was not a business combination and effectively was a capital transaction of EML. EML has been treated as the accounting parent company (legal subsidiary) and NSC has been treated as the accounting subsidiary (legal parent) in these consolidated financial statements. As EML is deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying value. NSC’s results have been included from April 30, 2021, the date of the Transaction.

Since NSC’s operations did not constitute a business under IFRS 3, Business Combinations, the transaction was accounted for as a share-based payment and an asset acquisition respectively whereby equity instruments issued were recognized at fair value and allocated to the net assets acquired. The difference between the fair value of the consideration and the net assets acquired was accounted for as a listing expense which was expensed on completion of the RTO. The fair value of the NSC shares retained by the former NSC shareholders was determined using the concurrent financing price of \$0.33 per share.

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The purchase price has been allocated as follows:

	\$
Fair value of consideration – 6,171,250 common shares of the Company at \$0.33 per share	2,036,513
Cash	81,040
Short-term investments	203,952
Deferred finance fees	7,599
Loan receivable	25,000
Accounts payable and accrued liabilities	(160,482)
Listing expense	1,879,404
	2,036,513

5. ACQUISITION OF NORTH AMERICAN SILVER CORP. AND CENTENNIAL MINING INC.

On April 1, 2020, the Company closed the acquisition of NAS and Centennial Mining Inc. pursuant to the terms of a share exchange agreement (the “NAS Agreement”). The Company acquired all of the issued and outstanding common shares of NAS and Centennial Mining Inc. by issuing 5,159,744 common shares.

The transaction did not meet the definition of a business combination and therefore, was accounted for as an asset purchase of mineral property interests. The fair value of the consideration paid for the acquisition of NAS and Centennial Mining Inc. has been allocated to the assets acquired and liabilities assumed, based on management’s best estimate and taking into account all available information at the time of acquisition.

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of the identified assets acquired and liabilities assumed:

Purchase price	\$
5,159,744 common shares of the Company at \$0.2089 (USD\$0.15) per share	1,078,094
Fair value of consideration	1,078,094
Net assets acquired	\$
Cash	2
Accounts payable and accrued liabilities	(148,968)
Exploration and evaluation assets	1,227,060
	1,078,094

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6. ACQUISITION OF NORTH STAR MANGANESE INC.

On April 20, 2020, the Company acquired 77.5% of North Star Manganese Inc. (“NSM”) by issuing 9,900,000 common shares. The Company also committed to issuing 2,000,000 common shares as a finder’s fee as a result of the transaction. On June 2, 2020, the Company acquired the remaining 22.5% of NSM by issuing 2,875,000 common shares pursuant to the terms of a share exchange agreement (the “NSM Agreement”).

The acquisition did not meet the definition of a business combination and therefore, has been accounted for as an asset purchase of mineral property interests. The fair value of the consideration paid for the acquisition of NSM has been allocated to the assets acquired and liabilities assumed, based on management’s best estimate and taking into account all available information at the time of acquisition.

The following table summarizes the fair value of the total consideration paid and the aggregate fair value of the identified assets acquired and liabilities assumed:

Purchase price	\$
9,900,000 common shares of the Company at \$0.0069 per share	68,180
2,000,000 common shares of the Company issued as a finder’s fee at \$0.0069 per share	13,773
2,875,000 common shares of the Company at \$0.2035 per share	584,990
Fair value of consideration	666,943
Net assets acquired	\$
Cash	41,379
Accounts payable and accrued liabilities	(144,878)
Exploration and evaluation assets	770,442
	666,943

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7. EXPLORATION AND EVALUATION ASSETS

Corcoran Canyon Silver Project

The Company, through its subsidiaries, NAS and Centennial Mining Inc., has a 100% ownership interest in the Corcoran Canyon Silver Project in Nye County, Nevada. The Corcoran Canyon Silver Project comprises 328 contiguous, unpatented mineral claims with an area of approximately 2,681.5 hectares. Eight of the claims are currently subject to a 2% net smelter return (“NSR”) royalty. Any surrounding claims acquired or staked by the Company would also become subject to the 2% NSR royalty, unless those claims are subject to an NSR royalty owed to a third party.

Emily Manganese Project

NSM has a 100% ownership and management interest in the Emily Manganese Project (“Emily”) established through a series of agreements with Cooperative Mineral Resources, LLC (“CMR”) and People’s Security Company, Inc. (“PSC”). These agreements establish two general arrangements related to the use of lands owned by CMR and PSC:

1. a contract mining and sales arrangement between NSM and CMR for the extraction of manganese ores from the property whereby NSM has the exclusive right to mine and purchase the manganese ore; and
2. separate property leases and a manganese processing agreement between NSM, CMR and PSC, where CMR and PSC, will receive as rent for their properties a portion of NSM’s net distributed profits from downstream sale of processed advanced materials from any ores mined by NSM from the Area of Interest (AOI).

NSM also has an option to purchase all of CMR’s and PSC’s mineral and surface assets, including all rights and obligations, for USD\$30,250,000, less any net distributable profits paid by NSM.

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Summary of Expenditures

Below is a summary of the changes in the exploration and evaluation assets during the years ended December 31, 2021 and 2020:

	Corcoran Canyon Silver Project \$	Emily Manganese Project \$	Total \$
Balance, December 31, 2019	-	-	-
Asset acquisitions (Notes 5 and 6)	1,227,060	770,442	1,997,502
Acquisition costs incurred in cash	204,828	588,262	793,090
Consulting (Notes 9 and 12)	1,082,825	12,273	1,095,098
Permitting, sampling, assays and surveys	6,661	-	6,661
Site visits	18,576	20,130	38,706
Staking	159,033	-	159,033
Foreign exchange	(16,714)	(30,950)	(47,664)
Balance, December 31, 2020	2,682,269	1,360,157	4,042,426
Acquisition costs incurred in cash	5,344	134,333	139,677
Consulting	322,968	143,235	466,203
Permitting, sampling, assays and surveys	502,558	2,632	505,190
Drilling	1,187,207	-	1,187,207
Site visits	35,665	-	35,665
Staking	31,467	-	31,467
Foreign exchange	10,467	9,989	20,456
Balance, December 31, 2021	4,777,945	1,650,346	6,428,291

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8. LOANS FROM RELATED PARTIES

During the period from inception on July 24, 2019 to December 31, 2019, the Company incurred director fees of \$85,291 and made payments of \$58,404, resulting in net balance owing of \$26,887 to the CEO of the Company. During the year ended December 31, 2020, the Company received additional advances totaling \$18,577 from the CEO. During the year ended December 31, 2021, the Company made repayments of \$35,259. The loan is non-interest bearing, due on demand, unsecured and has no maturity date. The balance of the loan payable was \$10,205 as at December 31, 2021 (2020 – \$48,746).

On May 25, 2020, the Company entered into a loan agreement with a company owned by the CEO of the Company. A maximum principal amount of AUD\$100,000 is secured by the Corcoran Canyon Silver Project owned by the Company in Nevada, USA. Any balance owing greater than AUD\$100,000 is unsecured. The loan is non-interest bearing and due on demand. The balance of the loan payable was \$230,029 as at December 31, 2021 (2020 - \$201,070).

On June 11, 2020, the Company entered into a loan agreement with a shareholder and director of the Company for maximum proceeds of USD\$100,000. The loan was secured by the Corcoran Canyon Silver Project owned by the Company in Nevada, USA, bore interest at 12% per annum payable monthly in arrears, and was due on June 30, 2021. The balance of the loan payable has been fully repaid and was \$nil as at December 31, 2021 (2020 - \$135,596).

On August 20, 2020, the Company entered into a loan agreement with a director of the Company for maximum proceeds of AUD\$100,000. The loan was secured by the Corcoran Canyon Silver Project owned by the Company in Nevada, USA, bore interest at 7.5% per annum payable monthly in arrears, and was due on June 30, 2021. In addition, the Company incurred borrowing costs of \$19,280, paid as shares, with respect to the loan. The balance of the loan payable has been fully repaid and was \$nil as at December 31, 2021 (2020 - \$100,878).

	\$
Balance, December 31, 2019	26,887
Loan proceeds	424,338
Interest expense	18,767
Foreign exchange	16,298
Balance, December 31, 2020	486,290
Loan proceeds	7,930
Loan repayments	(250,804)
Interest expense	14,330
Foreign exchange	(17,512)
Balance, December 31, 2021	240,234

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9. SHARE CAPITAL

- a) **Authorized** – Unlimited common shares without par value.
- b) **Share exchange** – Prior to the RTO, the Company consolidated its common shares on a 0.73271 for 1 basis. Pursuant to the terms of the RTO, all outstanding securities of EML were exchanged for post-Consolidation shares of the Company on a one-for-one basis.
- c) **Issued and outstanding** – 65,993,193 common shares (2020 – 43,820,020 common shares)
- d) **Financings**

On April 20, 2020, the Company issued 9,900,000 common shares for 77.5% of NSM. The fair value of these shares was \$68,180. The Company also issued 2,000,000 common shares as finder's fees fair valued at \$13,773, which were issued to a shareholder and director of the Company. Refer to Note 6.

On April 30, 2020, the Company issued 3,000,000 common shares at a price of USD\$0.05 per share for total cash proceeds of \$208,353 (USD\$150,000), of which \$156,752 was received during the period ended December 31, 2019.

On May 8, 2020, the Company issued 5,159,744 common shares for all of the issued and outstanding securities of NAS. The fair value of these shares was \$1,078,094. The Company also issued 429,425 common shares as retention payments to officers, directors and consultants of Centennial Mining Inc. and 5,130,511 common shares for consulting services relating to the exploration and evaluation assets. The fair value of the 429,425 common shares was \$89,725 and has been recorded as share-based compensation. The fair value of the 5,130,511 common shares was \$1,071,986 and has been recorded as shares issued for consulting expenditures on exploration and evaluation assets. Refer to Notes 5 and 7.

On May 8, 2020, the Company issued 1,000,000 common shares at a price of USD\$0.15 per share for total cash proceeds of \$211,246 (USD\$150,000).

On May 8, 2020, the Company issued 925,000 common shares for services received. The fair value of these shares was \$193,273 and was recognized in profit or loss during the year.

On June 2, 2020, the Company acquired the remaining 22.5% of NSM by issuing 2,875,000 common shares. The fair value of these shares was \$584,990. Refer to Note 6.

On August 5, 2020, the Company issued 166,000 common shares at a price of USD\$0.15 per share for total cash proceeds of \$33,167 (USD\$24,900).

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On August 13, 2020, the Company issued 95,920 common shares at a price of USD\$0.15 per share for total cash proceeds of \$18,984 (USD\$14,388).

On September 11, 2020, the Company issued 2,534,920 common shares at a price of USD\$0.15 per share for total cash proceeds of \$506,285 (USD\$380,238). The Company incurred cash share issue costs of \$33,020 and issued 503,500 common shares in connection with these shares issued with a fair value of \$100,025.

On September 11, 2020, the Company issued 100,000 common shares with a fair value of \$19,280 to a director, pursuant to a loan agreement entered into on August 20, 2020 with a director of the Company. Refer to Note 8.

On April 30, 2021, 6,171,250 common shares were deemed to be issued by EML as a result of the RTO (refer to Note 4). The fair value of the 6,171,250 common shares of \$2,036,513 was determined using the concurrent financing price of \$0.33 per share.

On April 30, 2021, the Company issued 15,301,923 common shares issued to investors in the non-brokered concurrent financing conducted by the Company and EML to raise aggregate gross proceeds of \$5,049,635. A total of 7,650,962 warrants of the Company were also issued in connection with the concurrent financing. Each warrant entitles the holder to acquire one share of the Company at an exercise price of \$0.60 per share for a period of two years. The Company will be entitled to accelerate the Warrant Expiry Date upon notice to the warrant holders should the closing price of the shares of the Company on the TSXV be greater than \$1.00 for twenty consecutive trading days. Total share issue costs of \$264,064 including finder's fees were incurred in connection with the concurrent financing. Using the residual method, a value of \$0.33 was attributed to each common share and a value of \$nil was attributed to each warrant.

The Company also issued an aggregate of 256,501 non-transferable finders warrants (the "Finders Warrants"). Each Finders Warrant entitles the holder to acquire one common share of the Company at a price of \$0.60 per share for a period of 2 years. The fair value of the Finders Warrants has been estimated to be \$32,022 using the Black-Scholes option pricing model using the following assumptions: share price at the time of issuance \$0.33; risk-free interest rate of 0.30%; expected life of 2 years; dividend yield of 0%; forfeiture rate of 0% and annualized volatility of 100%.

On May 6, 2021, the Company issued 650,000 common shares to Sheldon Inwentash in connection with his role as Chair of the Board. The fair value of the common shares was determined using the concurrent financing price of \$0.33 per share. A total of \$214,500 was recorded in directors fees.

e) Stock Options

The Company has established a stock option plan available for directors, officers, employees and consultants, and has authorized a stock option pool equal to 10% of the then outstanding common

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shares. Options are granted with exercise prices equal to the fair market value of the common shares of the Company on the date of grant. The vesting terms of the stock options are in the sole discretion of the Board of Directors. All options expire on the tenth anniversary of the grant. After termination of employment, unvested options are forfeited immediately, and vested options expire 90 days subsequent to termination. The Board of Directors administers the stock option plan.

On May 6, 2021, the Company granted an aggregate of 2,100,000 stock options with a fair value of \$619,823 to certain directors, officers and consultants of the Company. Each stock option entitles the holder to purchase one common share of the Company at an exercise price of \$0.33 per share for a 10-year period. The options vest in four equal installments on August 6, 2021, November 6, 2021, February 6, 2022 and May 6, 2022. Share-based compensation expense related to these stock options of \$545,559 was recorded during year ended December 31, 2021.

On November 26, 2021, the Company granted an aggregate of 300,000 stock options with a fair value of \$103,785 to a consultant of the Company. Each stock option entitles the holder to purchase one common share of the Company at an exercise price of \$0.45 per share for a 10-year period. 20% of the options vested immediately, and the remainder vest in four equal installments on February 26, 2022, May 26, 2022, August 26, 2022 and November 26, 2022. Share-based compensation expense related to these stock options of \$37,319 was recorded during the year-ended December 31, 2021.

During the year ended December 31, 2021, 50,000 stock options were exercised for total proceeds of \$16,500. The Company also transferred \$14,758 from contributed surplus to share capital. The market price of the Company's common shares on the date of exercise was \$0.42 per share.

The fair value of the options granted was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

	2021	2020
Stock price	0.34	-
Exercise price	0.35	-
Risk-free interest rate	1.50%	-
Expected life	10 years	-
Expected volatility	100%	-
Expected dividend yield	Nil	-
Weighted average fair value	\$0.30	-

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A summary of stock option activity is as follows:

	Options #	Weighted average exercise price \$
Balance outstanding, December 31, 2019 and 2020	-	-
Granted	2,400,000	0.35
Exercised	(50,000)	0.33
Balance outstanding, December 31, 2021	2,350,000	0.35
Options exercisable, December 31, 2021	1,060,000	0.34

As at December 31, 2021, the Company had the following options outstanding:

	Exercise Price \$	Remaining Life (Years)	Options Outstanding #
Expiry Date			
May 6, 2031	0.33	9.35	2,050,000
November 26, 2031	0.45	9.91	300,000

f) Warrants

A summary of warrant activity is as follows:

	Warrants #	Weighted average exercise price \$
Balance outstanding, December 31, 2019 and 2020	-	-
Granted	7,650,962	0.60
Balance outstanding, December 31, 2021	7,650,962	0.60

As at December 31, 2021, the Company had the following warrants outstanding:

	Exercise Price \$	Remaining Life (Years)	Warrants Outstanding #
Expiry Date			
April 30, 2023	0.60	1.33	7,650,962

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g) Finders Warrants

A summary of finders warrants activity is as follows:

	Finders warrants #	Weighted average exercise price \$
Balance outstanding, December 31, 2019 and 2020	-	-
Granted	256,501	0.60
Balance outstanding, December 31, 2021	256,501	0.60

As at December 31, 2021, the Company had the following finders warrants outstanding:

Expiry Date	Exercise Price \$	Remaining Life (Years)	Warrants Outstanding #
April 30, 2023	0.60	1.33	256,501

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, which was \$5,789,186 at December 31, 2021 (2020 - \$2,666,389).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company is not subject to any external capital requirements.

11. FINANCIAL INSTRUMENTS

For financial instruments held by the Company, management classifies cash as FVTPL and accounts payable and accrued liabilities and loans from related parties as amortized cost.

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a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at December 31, 2021, the Company believes that the carrying amounts of accounts payable and accrued liabilities and loans from related parties approximate their fair values because of the market rates of interest attached to these financial instruments, and or their relatively short maturity dates or durations. Cash is measured at fair value is based on level 1 inputs of the fair value hierarchy.

b) Management of risks arising from financial instruments

Discussion of risks associated with financial assets and liabilities are detailed below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with federally regulated institutions. The credit risk related to cash is considered minimal.

Interest rate risk

Interest rate risk is the risk that the future cash flows or fair value of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company's interest-bearing financial instruments have fixed interest rates. The Company is also exposed to the risk of variation in the fair value of financial instruments resulting from fluctuations in interest rates, however the impact is not material.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

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Foreign currency risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are primarily cash, offset by accounts payable and accrued liabilities and loans from related parties denominated in foreign currencies. The Company primarily spends funds in Australian dollars and US dollars. The Company is exposed to currency risk primarily on settlements of purchases that were denominated in currencies other than the Australian dollar. In order to reduce the Company's exposure to currency risk, the Company periodically increases or decreases the amount of funds held in foreign currencies.

The Company is exposed to movements in the Canadian dollar against the Australian dollar and US dollar. Sensitivity analysis has been performed to indicate how the profit or loss would have been affected by changes in the Canadian dollar and each of these currencies.

As at December 31, 2021, the Company held cash denominated in Australian dollars of AUD\$7,434, accounts payable and accrued liabilities of AUD\$201,648 and loans from related parties of AUD\$260,982. A 10% strengthening in the Australian dollar relative to the Canadian dollar would result in an increase (decrease) of approximately \$42,000 in the Company's net loss.

As at December 31, 2021, the Company held cash denominated in US dollars of US\$7,217 and accounts payable and accrued liabilities of US\$323,324. A 10% strengthening in the US dollar relative to the Canadian dollar would result in an increase (decrease) of approximately \$40,000 in the Company's net loss.

12. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

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The Company incurred charges to Directors and Officers, or to companies associated with these individuals, during the years ended December 31, 2021 and 2020:

	Note	2021 \$	2020 \$
Directors fees		557,372	294,819
Borrowing costs	8	-	19,280
Consulting fees		100,571	-
Professional fees		340,232	13,598
Share-based compensation	9	480,612	-
		1,478,787	327,697

The amounts due to related parties at December 31, 2021 are \$185,087 (2020 - \$90,328) owing to a Director and a company in which the CFO of the Company is a shareholder. The amounts due to related parties are included in accounts payable and accrued liabilities.

During the year ended December 31, 2021, the Company was charged \$268,960 (2020 - \$nil) by a legal partnership of which one of its partners is a director of the Company.

On June 2, 2020, the Company acquired 100% of NSM pursuant to the terms of a share exchange agreement (the "NSM Agreement"). Prior to the acquisition, a shareholder and Director of the Company owned 5,750,000 NSM shares, representing approximately 45.01% of the total outstanding NSM shares and received an equivalent number of the Company Shares on completion of the NSM acquisition. In addition, the Company issued 2,000,000 common shares to the Director as finder's fees for identifying the opportunity for the Company to acquire the Emily Project.

On May 3, 2021, the Company entered into a consulting agreement with a company owned by the CEO of the Company for annual fees of \$240,000 which shall continue indefinitely unless terminated by either party.

On May 3, 2021, the Company entered into a consulting agreement with a company owned by a director of the Company for annual fees of \$150,000 which shall continue indefinitely unless terminated by either party.

Other related party transactions are disclosed in Note 8.

13. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flows.

During the year ended December 31, 2021, the following transactions were excluded from the consolidated statement of cash flows:

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- the Company issued 256,501 finders warrants as finder’s fees valued at \$32,022 (Note 9); and
- capitalized exploration and evaluation costs of \$20,455 included in accounts payable and accrued liabilities as at December 31, 2021.

During the year ended December 31, 2020, the following transactions were excluded from the consolidated statement of cash flows:

- the Company issued 12,775,000 common shares for all of the issued and outstanding securities of NSM. Fair value of these shares was \$653,170. The Company also issued 2,000,000 common shares as finder’s fees valued at \$13,773 (Note 5);
- the Company issued 5,159,744 common shares for all of the issued and outstanding securities of NAS. Fair value of these shares was \$1,078,094 (Note 4);
- the Company issued 5,130,511 common shares for consulting services relating to exploration and evaluation assets. Fair value of these shares was \$1,071,986 (Note 7); and
- capitalized exploration and evaluation costs of \$552,564 included in accounts payable and accrued liabilities as at December 31, 2020.

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Year Ended December 31, 2021	Year Ended December 31, 2020
Statutory tax rate	26.5%	27.5%
	\$	\$
Income before income taxes	(4,574,085)	(928,274)
Expected income tax expense at statutory rate	(1,212,133)	(255,275)
Difference in tax rates and foreign exchange	25,508	(12,185)
Tax effect of non-deductible expenses	944,299	16,446
Deferred tax expense from temporary differences	(69,977)	(24,932)
Deferred tax asset not recognized	312,303	275,946
Income tax recovery	-	-

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The significant components of the Company's deferred income tax assets as at December 31, 2021 and 2020 are as follows:

	2021	2020
	\$	\$
Carried forward tax losses	678,589	342,725
Financing and share issuance costs	71,347	79,711
Unrecognized deferred income tax assets	(749,936)	(422,436)
Net deferred tax asset	-	-

As at December 31, 2021, the Company has tax losses in Australia of approximately \$924,000, tax losses in Canada of approximately \$1,246,000 and tax losses in USA of approximately of \$448,000. The tax losses in Australia may be carried forward indefinitely, the tax losses in Canada may be carried forward to 2041 and the tax losses in the USA may be carried forward indefinitely and applied against future assessable income. Future tax benefits, which may arise as a result of these losses have not been recognized in these consolidated financial statements.

15. SEGMENT INFORMATION

During the year ended December 31, 2021, the Company had one reportable operating segment, being the acquisition and exploration of interests in mineral properties. The Company has operations located in three geographical segments, Canada, USA and Australia. Geographic information is as follows:

	Total non-current assets as at December 31, 2021	Total non-current assets as at December 31, 2020
	\$	\$
USA	6,430,139	4,042,426
Total non-current assets	6,430,139	4,042,426

	Loss for the year ended December 31, 2021	Loss for the year ended December 31, 2020
	\$	\$
Canada	3,655,519	-
USA	205,481	43,227
Australia	713,085	885,047
Total net loss	4,574,085	928,274

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16. COMMITMENTS

During the year ended December 31, 2021, the Company entered into a marketing agreement for a twelve month period commencing on October 1, 2021. At December 31, 2021, the Company was committed to marketing expenditures in the amount of \$63,000 (2020 - \$nil) to be incurred within the next year.

17. SUBSEQUENT EVENTS

- a) In January 2022, the Company obtained approval for trading on the OTCQB. The Company's common shares commenced trading on the OTCQB under the ticker symbol "NVDSF".
- b) In February 2022, the Company closed a private placement of Units of the Company for gross proceeds of \$2,000,000. Pursuant to the offering, the Company issued 6,670,000 Units at a price of \$0.30 per Unit. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of \$0.45 per share for a period of 24 months from the date of issuance, subject to adjustments in certain events and acceleration rights.

In the event the closing price of the common shares of the Company on a recognized stock exchange is equal to or greater than \$0.80 per share for a period of at least ten consecutive trading days, the Company will have the right to accelerate the expiry date of the warrants to a date that is 30 calendar days after notice is given of such Acceleration Event by ways of news release.

No finder's fees, commissions or similar payments were made in connection with the private placement.

- c) In February 2022, the Company filed 124 new claims and entered into an option agreement to acquire claims. The Company entered into an option agreement with Summa LLC, whereby the Company has the right to acquire a 100% interest in five patented lode mining claims in Nevada covering approximately 69.88 acres. Pursuant to the option agreement, the Company can purchase the optioned property for USD\$10,000 per acre, or a total of USD\$700,000. The Company has the option to defer payment for up to five years by paying cash or issuing common shares of the Company on the anniversary date(s) of the option agreement, or until February 11, 2027 in the following amounts:
 - USD\$30,000 in common shares of the Company at a deemed price of CAD\$0.32 per share on the effective date (issued);
 - USD\$35,000 in cash or common shares (at the option of Summa LLC) of the Company at a price per share equal to the 10 day VWAP on the first anniversary date;
 - USD\$40,000 in cash or common shares (at the option of Summa LLC) of the Company at a price per share equal to the 10 day VWAP on the second anniversary date;
 - USD\$45,000 in cash or common shares (at the option of Summa LLC) of the Company at a price per share equal to the 10 day VWAP on the third anniversary date;

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- USD\$50,000 in cash or common shares (at the option of Summa LLC) of the Company at a price per share equal to the 10 day VWAP on the fourth anniversary date;
- USD\$700,000 in cash on the fifth anniversary date.

The Company may exercise the option to purchase the optioned property by paying USD\$700,000 at any time.

In April 2022, the Company entered into a Deed of Variation with Summa LLC whereby it was agreed that all option payments, except the first option payment which has already been made, will be in the form of cash and not in the form of common shares of the Company.

- d) In March 2022, the Company announced a private placement of Units of the Company for gross proceeds of \$7,020,000. Pursuant to the offering, the Company is looking to issue up to 23,400,000 Units at a price of \$0.30 per Unit. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of \$0.45 per share for a period of 24 months from the date of issuance, subject to adjustments in certain events and acceleration rights.

This private placement was terminated in April 2022.

- e) Subsequent to December 31, 2021, the Company has been considering its options with respect to the financing and commercialization of the Emily Manganese Project. In March 2022, the Company announced a private placement of securities of NSM to provide NSM with interim exploration financing and general working capital. NSM will offer up to 3,000,000 shares of NSM at a price of \$0.25 per share for gross proceeds of up to \$750,000.

Nevada Silver Corporation
(formerly NBS Capital Inc.)
Management's Discussion and Analysis
Year ended December 31, 2021

Nevada Silver Corporation
(formerly NBS Capital Inc.)
Management's Discussion and Analysis
Year ended December 31, 2021

Dated: May 2, 2022

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Nevada Silver Corporation (formerly NBS Capital Inc.) ("NSC") was prepared by management of the Company as at May 2, 2022, and should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the years ended December 31, 2021 and 2020 (the "Financial Statements"). The Financial Statements include the financial information of NSC and its wholly-owned and controlled subsidiaries, Electric Metals (USA) Limited ("EML"), Electric Metals (USA) Inc., North American Silver Corp. ("NAS"), Centennial Mining Inc., and North Star Manganese Inc. ("NSM") (together the "Company"). Additional information relating to the Company 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 IFRS 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.

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 Company'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 Company'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.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, 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; possible variations in mineral resources; labour disputes; operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; failure of equipment or processes to operate as anticipated; political, regulatory, environmental and other risks of the mining industry; reliance on management team; conflicts of interest among certain directors and officers of the Company; lack of liquidity for shareholders of the Company; and market risk.

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 Company. These forward-looking statements are made as of the date of this MD&A, and the Company 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 Company's present and future business strategies and the environment in which the Company will operate in the future, including assumptions regarding business and operating strategies.

Description of Business

The Company was incorporated under the *Canada Business Corporations Act* on March 1, 2018. The head office and registered office of the Company is located at 130 Spadina Avenue, Suite 401, Toronto, ON M5V 2L4. The Company is engaged in the exploration and development of mineral properties in the USA. The Company's common shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "NSC". Prior to completion of the RTO (as defined below), the Company was classified as a capital pool company ("CPC") within the meaning of Policy 2.4 of the TSX Venture

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Exchange (the "Exchange"). The principal business of the Company was to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition was to satisfy the related conditions of a "qualifying transaction" under Exchange rules.

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility as a result of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the effectiveness of interventions by governments and central banks and its resulting impact on the Company.

The Reverse Takeover Transaction

On April 30, 2021, the Company completed a reverse takeover transaction (the "RTO" or the "Transaction") with Electric Metals (USA) Limited ("EML"), an unlisted public company incorporated under the laws of New South Wales, Australia, by way of a Court-approved definitive scheme implementation agreement (the "Arrangement Agreement") under the laws of Australia. Pursuant to the Arrangement Agreement, the Company acquired all of the issued and outstanding ordinary shares of EML, and EML became a wholly-owned subsidiary of the Company.

Upon completion of the Transaction, the consolidated entity has continued to carry on the business of EML which is the exploration and development of mineral properties in the USA. EML owns the Corcoran Canyon Silver Project ("Corcoran"), a primarily silver/gold property in Nevada, United States, and the Emily Project ("Emily"), a property primarily prospective for manganese, in Minnesota, United States. The Corcoran and Emily projects are 100%-owned by EML through wholly owned subsidiaries.

Prior to completing the RTO, the Company changed its name to Nevada Silver Corporation and consolidated its common shares on the basis of 0.73271 (new) common shares for every one (old) common share (the "Consolidation"). Pursuant to the terms of the Arrangement Agreement, all outstanding shares of EML were exchanged for post-Consolidation common shares of the Company on a one-for-one basis. In the aggregate, the Company issued a total of 59,121,943 common shares, which included 43,820,020 common shares issued to shareholders of EML and 15,301,923 common shares issued to investors in the non-brokered concurrent financing conducted by the Company and EML to raise aggregate gross proceeds of \$5,049,635 (the "Concurrent Financing"). A total of 7,650,962 warrants of EML and the Company were also issued in connection with the Concurrent Financing. Each such warrant entitles the holder to acquire one share of the Company at an exercise price of \$0.60 per share for a period of two years from the closing of the Transaction (the "Warrant Expiry Date"). The Company will be entitled to accelerate the Warrant Expiry Date upon notice to the warrant holders should the closing price of the shares of the Company on the Exchange be greater than \$1.00 for twenty consecutive trading days.

On May 6, 2021, the Exchange accepted the filing of the RTO.

Prior to completing the Transaction, NSC advanced an unsecured loan of \$25,000 to EML in order for EML to satisfy property payments and other obligations during the process of completing the Transaction. The loan was evidenced by a promissory note, which contained customary events of default. The loan has been eliminated for consolidated financial statement purposes.

As a result of the Transaction, the former shareholders of EML, for accounting purposes, were considered to have acquired control of NSC. Accordingly, the acquisition of EML was accounted for as a reverse takeover that was not a business combination and effectively was a capital transaction of EML. EML has been treated as the accounting parent company (legal subsidiary) and NSC has been treated as the accounting subsidiary (legal parent) in the consolidated financial statements. As EML is deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in the consolidated financial statements at their historical carrying value. NSC's results have been included from April 30, 2021, the date of the Transaction.

Since NSC's operations did not constitute a business under IFRS 3, Business Combinations, the transaction was accounted for as a share-based payment and an asset acquisition respectively whereby equity instruments issued were recognized at fair value and allocated to the net assets acquired. The difference between the fair value of the consideration

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and the net assets acquired was accounted for as a listing expense which was expensed on completion of the RTO. The fair value of the NSC shares retained by the former NSC shareholders was determined using the concurrent financing price of \$0.33 per share.

The purchase price has been allocated as follows:

	\$
Fair value of consideration – 6,171,250 common shares of the Company at \$0.33 per share	2,036,513
Cash	81,040
Short-term investments	203,952
Deferred finance fees	7,599
Loan receivable	25,000
Accounts payable and accrued liabilities	(160,482)
Listing expense	1,879,404
	2,036,513

Exploration Projects

Figure 1 shows the location of the Corcoran and Emily projects, both of which are located in the USA.

Figure 1 – EML Property Location Map



Corcoran Canyon Silver Project

Corcoran is a silver-gold project located northeast of Tonopah, in central Nevada, USA. It comprises 328 contiguous, unpatented mineral claims with an area of approximately 2,674 hectares (ha) (6,626 acres). All claims are owned 100% by EML through its wholly owned subsidiary North American Silver Corporation (“NAS”) and are in good standing until August 31, 2022. EML acquired NAS by way of an Agreement and Plan of Share Exchange (“NAS Share Exchange”) which effected the exchange of one (1) EML share for every six (6) NAS shares. The NAS Share Exchange was approved by the Boards of EML and NAS and NAS shareholders and was subsequently filed with the Office of the Secretary of the State of Nevada on April 1, 2020, and NAS became a wholly owned subsidiary of EML.

Corcoran has been explored since 1970. To the end of 2011, 123 drillholes with an aggregate length of 17,895 meters (m) had been drilled by various operators. The bulk of the drilling, approximately 80 of the 123 holes, has been on the Silver Reef Zone, the most significant of the known mineral occurrences on the Property.

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Silver Reef is a northeast-trending mineralized zone 300 m wide and one km long on Silver Reef Hill in the centre of the Property. 8 of the claims are currently subject to a 2% net smelter return ("NSR") royalty. Any surrounding claims acquired or staked by the Company would also become subject to the 2% NSR royalty, unless those claims are subject to an NSR royalty owed to a third party. For further information, please see the technical report entitled "Corcoran Canyon Silver-Gold Property" prepared by G. Mosher, P.Geol, M.Sc and D. Smith, P. Geol., M.S. dated effective October 12, 2020 which can be found under the Company's profile on www.SEDAR.com.

Emily Manganese Project

While only the Corcoran Project constitutes a "material property" for the Company, EML's wholly owned subsidiary North Star Manganese Inc ("NSM"), has a 100% ownership and management interest in the Emily Manganese Project ("Emily") established through a series of agreements with Cooperative Mineral Resources, LLC ("CMR") and People's Security Company, Inc. ("PSC"). These agreements establish two general arrangements related to the use of lands owned by CMR and PSC:

1. a contract mining and sales arrangement between NSM and CMR for the extraction of manganese ores from the property whereby NSM has the exclusive right to mine and purchase the manganese ore; and
2. separate property leases and a manganese processing agreement between NSM, CMR and PSC, where CMR and PSC, will receive as rent for their properties a portion of NSM's net distributed profits from downstream sale of processed advanced materials from any ores mined by NSM from the Area of Interest (AOI).

NSM also has an option to purchase all of CMR's and PSC's mineral and surface assets, including all rights and obligations, for USD\$30,250,000, less any net distributable profits paid by NSM.

EML acquired NSM by way of an Agreement and Plan of Share Exchange (NSM Share Exchange) which effected the exchange of one (1) EML share for each NSM share. The NSM Share Exchange was approved by the Boards of EML and NSM and NAS shareholders and was subsequently filed with the Office of the Secretary of the State of Minnesota on June 18, 2020, and NSM became a wholly owned subsidiary of EML.

Summary of Expenditures

Below is a summary of the changes in the exploration and evaluation assets during the year ended December 31, 2021 and 2020:

	Corcoran Canyon Silver Project \$	Emily Manganese Project \$	Total \$
Balance, December 31, 2019	-	-	-
Asset acquisitions	1,227,060	770,442	1,997,502
Acquisition costs incurred in cash	204,828	588,262	793,090
Consulting	1,082,825	12,273	1,095,098
Permitting, sampling, assays and surveys	6,661	-	6,661
Site visits	18,576	20,130	38,706
Staking	159,033	-	159,033
Foreign exchange	(16,714)	(30,950)	(47,664)
Balance, December 31, 2020	2,682,269	1,360,157	4,042,426
Acquisition costs incurred in cash	5,344	134,333	139,677
Consulting	322,968	143,235	466,203
Permitting, sampling, assays and surveys	502,558	2,632	505,190
Drilling	1,187,207	-	1,187,207
Site visits	35,665	-	35,665
Staking	31,467	-	31,467
Foreign exchange	10,467	9,989	20,456
Balance, December 31, 2021	4,777,945	1,650,346	6,428,291

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Selected Annual Financial Information

The following selected financial data is derived from the consolidated financial statements of the Company.

Selected Statement of Financial Position Data

	As at December 31, 2021	As at December 31, 2020	As at December 31, 2019
Working capital (deficiency)	(640,953)	(1,376,037)	(403,918)
Total current assets	404,012	47,324	3,663
Total current liabilities	1,044,965	1,423,361	407,581
Total shareholders' equity (deficiency)	5,789,186	2,666,389	(403,918)

Quarterly Information

The following selected financial data is derived from the Company's unaudited quarterly financial statements for the last eight quarters.

	Three months ended			
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Working capital (deficiency)	(640,953)	959,312	2,191,806	(1,793,837)
Total assets	6,834,151	7,476,680	7,746,751	4,187,257
Net loss for the period	(581,940)	(414,258)	(3,132,770)	(445,117)
Net loss per share	(0.01)	(0.01)	(0.05)	(0.01)

	Three months ended			
	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Working capital (deficiency)	(1,376,037)	(811,318)	(844,756)	(243,098)
Total assets	4,089,750	4,649,902	4,013,790	42,240
Net loss for the period	(443,312)	(53,108)	(170,369)	(261,485)
Net loss per share	(0.01)	(0.00)	(0.01)	(0.03)

Total assets increased during the quarter ended June 30, 2020 as a result of the exploration and evaluation assets acquired from the acquisitions of NAS and NSM. Total working capital deficiency increased during the same quarter as a result of the loans payable from related parties, which were received during the quarter to fund the Company's operating activities.

Total working capital deficiency increased during the quarters ended December 31, 2020 and March 31, 2021 as a result of the decreased cash balance and increased accounts payable and accrued liabilities while the Company waited for the completion of the RTO.

Total assets and working capital increased during the quarter ended June 30, 2021 as a result of the net proceeds received from the concurrent financing and the RTO completed during the quarter.

The net losses for the first five of the eight quarters are mostly attributed to the exploration and evaluation costs incurred in assessing the mineral projects and the operating costs incurred in order to complete the RTO.

The net loss for the quarter ended June 30, 2021 increased as a result of the listing expense recorded for the RTO. Listing expense represents the excess of fair value of NSC shares retained by the former NSC shareholders over the net assets of NSC.

The net loss for the quarter ended December 31, 2021 is higher than the first five of the eight quarters due to increased business activities and due to share-based compensation expense.

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Results of Operations

Year ended December 31, 2021

The Company recorded a net loss of \$4,574,085 (\$0.08 per share) for the year ended December 31, 2021 (2020 - \$928,274 and \$0.03 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the year ended December 31, 2021. Variances of note in the operational expenses are:

Consulting fees of \$118,754 (2020 - \$3,562) consist of fees paid to consultants for advisory services. The consulting fees during the year ended December 31, 2021 were higher due to increased business activities.

Directors fees of \$557,372 (2020 - \$294,819) were higher as a result of the 650,000 common shares with a fair value of \$214,500 issued to Sheldon Inwentash in connection with his role as Chair of the Board, which was a one-time charge. The fair value of the common shares was determined using the concurrent financing price of \$0.33 per share.

Exploration and evaluation costs of \$nil (2020 - \$172,445) were lower during the year ended December 31, 2021. Exploration and evaluation costs were incurred in 2020 on the Idaho Copper Belt Claims, which the Company decided not to proceed with during the year ended December 31, 2020 and therefore wrote off to exploration and evaluation costs.

Filing fees of \$68,795 (2020 - \$9,927) were higher during the year ended December 31, 2021, as a result of the RTO and the Company becoming publicly traded.

Marketing of \$150,232 (2020 - \$23,429) consist of expenses incurred to increase investor awareness and was higher during the year ended December 31, 2021 as a result of higher business activities.

Office expenses of \$99,569 (2020 - \$63,543) were higher during the year ended December 31, 2021 due to increased business activities.

Professional fees of \$1,000,829 (2020 - \$326,937) were higher during the year ended December 31, 2021 primarily due to legal costs incurred to complete the RTO.

Share based compensation of \$582,878 (2020 - \$89,725) relates to the 2,400,000 options granted during the year ended December 31, 2021.

Listing expense of \$1,879,404 (2020 - \$nil) was recorded during the year ended December 31, 2021 as a result of the RTO. Listing expense represents the excess of fair value of NSC shares retained by the former NSC shareholders over the net assets of NSC.

Fourth Quarter

The Company recorded a net loss of \$581,940 (\$0.01 per share) for the three months ended December 31, 2021 (2020 - \$443,312 and \$0.01 per share). The Company had no revenue, paid no dividends and had no long-term liabilities during the three months ended December 31, 2021. Variances of note in the operational expenses are:

Directors fees of \$106,738 (2020 - \$75,917) were higher as the Company started paying quarterly directors fees to its directors upon completion of the RTO.

Marketing of \$90,496 (2020 - \$(29,342)) were incurred to increase investor awareness and was higher during the three months ended December 31, 2021 as the Company was newly formed in 2020 and did not have significant promotional activities in 2020.

Professional fees of \$175,067 (2020 - \$291,489) were higher during the three months ended December 31, 2020 primarily due to the RTO and increased business activities.

Share based compensation of \$159,188 (2020 - \$89,725) relates to vesting of the 2,400,000 options granted during the three months ended June 30, 2021.

Travel of \$10,961 (2020 - \$2,070) relates to increased business activities.

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Financing Activities

On April 20, 2020, the Company issued 9,900,000 common shares for 77.5% of NSM. The fair value of these shares was \$68,180. The Company also issued 2,000,000 common shares as finder's fees valued at \$13,773, which were issued to a shareholder and director of the Company.

On April 30, 2020, the Company issued 3,000,000 common shares at a price of USD\$0.05 per share for total cash proceeds of \$208,353 (USD\$150,000).

On May 8, 2020, the Company issued 5,159,744 common shares for all of the issued and outstanding securities of NAS. The fair value of these shares was \$1,078,094. The Company also issued 429,425 common shares as retention payments to officers, directors and consultants of Centennial Mining Inc. and 5,130,511 common shares for consulting services relating to the exploration and evaluation assets. The fair value of 429,425 common shares was \$89,725 and has been recorded as share-based compensation. The fair value of 5,130,511 common shares was \$1,071,986 and has been recorded as expenditures on exploration and evaluation assets.

On May 8, 2020, the Company issued 1,000,000 common shares at a price of USD\$0.15 per share for total cash proceeds of \$211,246 (USD\$150,000).

On May 8, 2020, the Company issued 925,000 common shares for services received. The fair value of these shares was \$193,273 and was recognized in profit or loss during the year.

On June 2, 2020, the Company acquired the remaining 22.5% of NSM by issuing 2,875,000 common shares. The fair value of these shares was \$584,990.

On August 5, 2020, the Company issued 166,000 common shares at a price of USD\$0.15 per share for total cash proceeds of \$33,167 (USD\$24,900).

On August 13, 2020, the Company issued 95,920 common shares at a price of USD\$0.15 per share for total cash proceeds of \$18,984 (USD\$14,388).

On September 11, 2020, the Company issued 2,534,920 common shares at a price of USD\$0.15 per share for total cash proceeds of \$506,285 (USD\$380,238). The Company incurred cash share issue costs of \$33,020 and issued 503,500 common shares in connection with these shares issued with a fair value of \$100,025.

On September 11, 2020, the Company issued 100,000 common shares with a fair value of \$19,280 to a director as settlement for loan borrowing costs, pursuant to a loan agreement entered into on August 20, 2020 with a director of the Company.

On April 30, 2021, 6,171,250 common shares were deemed to be issued by EML as a result of the RTO. The fair value of the 6,171,250 common shares deemed issued (\$2,036,513) was determined using the concurrent financing price of \$0.33 per share.

On April 30, 2021, the Company issued 15,301,923 common shares issued to investors in the non-brokered concurrent financing conducted by the Company and EML to raise aggregate gross proceeds of \$5,049,635. A total of 7,650,962 warrants of the Company were also issued in connection with the concurrent financing. Each warrant entitles the holder to acquire one share of the Company at an exercise price of \$0.60 per share for a period of two years. The Company will be entitled to accelerate the Warrant Expiry Date upon notice to the warrant holders should the closing price of the shares of the Company on the TSXV be greater than \$1.00 for twenty consecutive trading days. Total share issue costs of \$264,064 including finder's fees were incurred in connection with the concurrent financing. Using the residual method, a value of \$0.33 was attributed to each common share and a value of \$nil was attributed to each warrant.

The Company also issued an aggregate of 256,501 non-transferable finders warrants (the "Finders Warrants"). Each Finders Warrant entitles the holder to acquire one common share of the Company at a price of \$0.60 per share for a period of 2 years.

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On April 30, 2021, the Company issued 650,000 common shares to Sheldon Inwentash in connection with his role as Chair of the Board. The fair value of the common shares was determined using the concurrent financing price of \$0.33 per share. A total of \$214,500 was recorded in directors fees.

During the period from inception on July 24, 2019 to December 31, 2019, the Company incurred director fees of \$85,291 and made payments of \$58,404, resulting in net balance owing of \$26,887 to the CEO of the Company. During the year ended December 31, 2020, the Company received additional advances totaling \$18,577 from the CEO. During the year ended December 31, 2021, the Company made payments of \$35,259. The loan is non-interest bearing, due on demand, unsecured and has no maturity date. The balance of the loan payable was \$10,205 as at December 31, 2021 (2020 - \$48,746).

On May 25, 2020, the Company entered into a loan agreement with a company owned by the CEO of the Company. A maximum principal amount of AUD\$100,000 is secured by the Corcoran Canyon Silver Project owned by the Company in Nevada, USA. Any balance owing greater than AUD\$100,000 is unsecured. The balance of the loan payable was \$230,029 as at December 31, 2021 (2020 - \$201,070).

On June 11, 2020, the Company entered into a loan agreement with a shareholder and director of the Company for maximum proceeds of USD\$100,000. The loan was secured by the Corcoran Canyon Silver Project owned by the Company in Nevada, USA, bore interest at 12% per annum payable monthly in arrears, and was due on June 30, 2021. The balance of the loan payable has been fully repaid and was \$nil as at December 31, 2021 (2020 - \$135,596).

On August 20, 2020, the Company entered into a loan agreement with a director of the Company for maximum proceeds of AUD\$100,000. The loan was secured by the Corcoran Canyon Silver Project owned by the Company in Nevada, USA, bore interest at 7.5% per annum payable monthly in arrears, and was due on June 30, 2021. In addition, the Company incurred borrowing costs of \$19,280, paid as shares, with respect to the loan. The balance of the loan payable has been fully repaid and was \$nil as at December 31, 2021 (2020 - \$100,878).

Liquidity, Capital Resources, and Outlook

As of December 31, 2021, the Company had a working capital deficit of \$640,953 (2020 - \$1,376,037). During the year ended December 31, 2021, net cash used in operating activities was \$2,216,410. Net cash used in investing activities included \$2,365,410 related to mineral property acquisition and exploration costs, \$1,957 for equipment purchases, sale of short-term investments for \$203,952, which was offset by cash of \$81,040 acquired from the RTO. Net Cash provided by financing activities was \$4,817,593 of net proceeds received from the concurrent financing, stock option proceeds of \$16,500, loan proceeds of \$7,930 from related parties, which was offset by \$250,804 in loan repayments to related parties.

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain a flexible capital structure that optimizes the costs of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company is a junior exploration company principally engaged in the exploration and development of the Corcoran project. The Company's future performance depends on, among other things, its ability to discover and develop resources and ore reserves at commercially recoverable quantities, the prevailing market price of commodities it produces, the Company's ability to secure required financing, and in the event ore reserves are found in economically recoverable quantities, the Company's ability to secure operating and environmental permits to commence and maintain mining operations.

The Company's consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At December 31, 2021, the Company had accumulated losses of \$5,901,718 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could

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result in delays in the course of business and the Company's ability to raise new capital. These events and conditions indicate a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. The consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

In February 2022, the Company closed a private placement of Units of the Company for gross proceeds of \$2,000,000. In March 2022, the Company announced a private placement of Units of the Company for gross proceeds of \$7,020,000. Please refer to Subsequent Events for further details.

Capital Expenditures

The Company incurred \$2,385,865 in exploration and evaluation expenditures and acquisition costs during the year ended December 31, 2021 (2020 - \$4,042,426).

Commitments

As of December 31, 2021, the Company was committed to marketing expenditures in the amount of \$63,000 (2020 - \$nil) to be incurred within the next year.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as of December 31, 2021.

Transactions with Related Parties

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of the Board of Directors.

The Company incurred charges to directors and officers, or to companies associated with these individuals, during the year ended December 31, 2021 and 2020:

	2021 \$	2020 \$
Directors fees	557,372	294,819
Borrowing costs	-	19,280
Consulting fees	100,571	-
Professional fees	340,232	13,598
Share-based compensation	480,612	-
	<u>1,478,787</u>	<u>327,697</u>

The amounts due to related parties included in accounts payable and accrued liabilities at December 31, 2021 are \$12,000 owing to Henry Sandri, \$12,000 owing to John Kutkevicius, \$24,000 owing to Sheldon Inwentash, \$21,328 owing to Gary Lewis, \$99,813 owing to Wildeboer Dellelce LLP, a legal firm where John Kutkevicius is a partner, and \$15,946 owing to Malaspina Consultants Inc., a company in which the CFO of the Company (Natasha Tsai) is a shareholder.

During the year ended December 31, 2021, the Company entered into the following transactions with key management personnel and/or related entities:

- a) Incurred director fees of \$198,872 (2020 – \$171,657) to Gary Lewis
- b) Incurred director fees of \$286,500 (2020 – \$nil) to Sheldon Inwentash which includes the issuance of 650,000 common shares valued at \$215,000. The fair value of the common shares was determined using the concurrent financing price of \$0.33 per share.
- c) Incurred director fees of \$36,000 (2020 - \$nil) to John Kutkevicius.
- d) Incurred director fees of \$36,000 (2020 - \$nil) to Henry Sandri.

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- e) Incurred director fees of \$nil (2020 - \$71,430) to John Hancock.
- f) Incurred director fees of \$nil (2020 - \$51,732) to Ian Pringle.
- g) Incurred consulting fees of \$100,571 (2020 - \$nil) to Ian Pringle.
- h) Incurred professional fees of \$71,272 (2020 - \$13,598) to Malaspina Consultants Inc., a company in which the CFO of the Company (Natasha Tsai) is a shareholder
- i) Incurred professional fees of \$268,960 (2020 - \$nil) to Wildeboer Dellelce LLP, a legal firm where John Kutkevicius is a partner.

On June 2, 2020, the Company acquired 100% of NSM by pursuant to the terms of a share exchange agreement (the "NSM Agreement"). Prior to the acquisition, a shareholder and director of the Company owned 5,750,000 NSM shares, representing approximately 45.01% of the total outstanding NSM shares and received an equivalent number of the Company shares on completion of the NSM acquisition. In addition, the Company issued 2,000,000 common shares to the director as finder's fees for identifying the opportunity for the Company to acquire the Emily Project.

On May 3, 2021, the Company entered into a consulting agreement with a company owned by Gary Lewis for annual fees of \$240,000 which shall continue indefinitely unless terminated by either party.

On May 3, 2021, the Company entered into a consulting agreement with a company owned by Ian Pringle for annual fees of \$150,000 which shall continue indefinitely unless terminated by either party.

Other related party transactions are disclosed above under the Financing Activities section.

Subsequent Events

- a) In January 2022, the Company obtained approval for trading on the OTCQB. The Company's common shares commenced trading on the OTCQB under the ticker symbol "NVDSF".
- b) In February 2022, the Company closed a private placement of Units of the Company for gross proceeds of \$2,000,000. Pursuant to the offering, the Company issued 6,670,000 Units at a price of \$0.30 per Unit. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of \$0.45 per share for a period of 24 months from the date of issuance, subject to adjustments in certain events and acceleration rights.

In the event the closing price of the common shares of the Company on a recognized stock exchange is equal to or greater than \$0.80 per share for a period of at least ten consecutive trading days, the Company will have the right to accelerate the expiry date of the warrants to a date that is 30 calendar days after notice is given of such Acceleration Event by ways of news release.

No finder's fees, commissions or similar payments were made in connection with the private placement.

- c) In February 2022, the Company entered into an option agreement with Summa LLC, whereby the Company has the right to acquire a 100% interest in five patented lode mining claims in Nevada covering approximately 69.88 acres. Pursuant to the option agreement, the Company can purchase the optioned property for USD\$10,000 per acre, or a total of USD\$700,000. The Company has the option to defer payment for up to five years by paying cash or issuing common shares of the Company on the anniversary date(s) of the option agreement, or until February 11, 2027 in the following amounts:

- USD\$30,000 in common shares of the Company at a deemed price of CAD\$0.32 per share on the effective date (issued);
- USD\$35,000 in cash or common shares (at the option of Summa LLC) of the Company at a price per share equal to the 10 day VWAP on the first anniversary date;
- USD\$40,000 in cash or common shares (at the option of Summa LLC) of the Company at a price per share equal to the 10 day VWAP on the second anniversary date;
- USD\$45,000 in cash or common shares (at the option of Summa LLC) of the Company at a price per share equal to the 10 day VWAP on the third anniversary date;
- USD\$50,000 in cash or common shares (at the option of Summa LLC) of the Company at a price per share equal to the 10 day VWAP on the fourth anniversary date;
- USD\$700,000 in cash on the fifth anniversary date.

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The Company may exercise the option to purchase the optioned property by paying USD\$700,000 at any time.

In April 2022, the Company entered into a Deed of Variation with Summa LLC whereby it was agreed that all option payments, except the first option payment which has already been made, will be in the form of cash and not in the form of common shares of the Company.

- d) In March 2022, the Company announced a private placement of Units of the Company for gross proceeds of \$7,020,000. Pursuant to the offering, the Company is looking to issue up to 23,400,000 Units at a price of \$0.30 per Unit. Each Unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable to acquire one common share of the Company at a price of \$0.45 per share for a period of 24 months from the date of issuance, subject to adjustments in certain events and acceleration rights.

This private placement was terminated in April 2022.

- e) Subsequent to December 31, 2021, the Company has been considering its options with respect to the financing and commercialization of the Emily Manganese Project. In March 2022, the Company announced a private placement of securities of NSM to provide NSM with interim exploration financing and general working capital. NSM will offer up to 3,000,000 shares of NSM at a price of \$0.25 per share for gross proceeds of up to \$750,000.

Critical Accounting Estimates and Policies

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only; in the period of the change and future periods, if the change affects both.

Critical Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Going concern assumption

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to fund future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments may be necessary to the carrying value of assets and liabilities, reported expenses and the consolidated statement of financial position classifications used.

Impairment of exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

Issuances of shares for goods and services

Management makes judgments in determining the share price attributed to issuances of shares for goods and services. Management considers market conditions, recent or pending private placements of the Company, and or contracted terms of the issuance. Should management's judgment as to an appropriate share price be incorrect, the value attributed could be materially different.

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Asset acquisitions

The assessment of whether an acquisition meets the definition of a business or an asset is an area of key judgment. In the acquisitions of NAS, Centennial Mining Inc. and NSM, judgment was required to determine if the acquisitions represented business combinations or asset acquisitions. More specifically, management concluded that NAS, Centennial Mining Inc. and NSM did not represent businesses as the assets acquired were not an integrated set of activities with inputs, processes and outputs. Since it was concluded that the transactions represented the acquisitions of assets, there was no goodwill recognized and the transactions costs were capitalized to the assets purchased rather than expensed.

The RTO

The determination of the acquirer in the RTO is subject to judgment and requires the Company to determine which party obtains control of the combining entities. Management applies judgment in determining control by assessing the following three factors: whether the Company has power over EML; whether the Company has exposure or rights to variable returns from its involvement with EML; and whether the Company has the ability to use its powers over EML to affect the amount of its returns. In exercising this judgment, EML was deemed to be the acquirer in the Transaction.

Management has had to apply judgment relating to acquisitions with respect to whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of the acquisition in order to reach a conclusion. The Transaction was accounted for as a reverse acquisition and the difference between the fair value of net assets acquired and the consideration paid was recorded as a listing expense.

Key Sources of Estimation Uncertainty

The significant assumptions about the future and other major sources of estimation uncertainty as at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities are as follows:

Share-based compensation

The Company measures the value of equity-settled transactions with employees, and with non-employees when the fair value of the goods or services received is not determinable, by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, short-term investments, accounts payable and accrued liabilities and loans from related parties. It is management's opinion that the Company 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 Company:

Issued and outstanding common shares	72,781,943
Share options with a weighted average exercise price of \$0.35	2,350,000
Share purchase warrants with a weighted average exercise price of \$0.55	10,985,962
Fully Diluted	86,117,905

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Disclosure Controls and Procedures

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements for the year ended December 31, 2021 and this accompanying MD&A (together, the "Annual Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company on SEDAR at www.sedar.com.

Risks and Uncertainties

The Company is currently subject to financial and regulatory risks. The financial risk is derived from the uncertainty pertaining to the Company's ability to raise capital to continue operations. Regulatory risks include the possible delays in getting regulatory approval for the transactions that the Board of Directors believe to be in the best interest of the Company, and include increased fees for filings and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

There is no assurance that the exploration of the Company's properties will be successful in its quest to find a commercially viable quantity of mineral resources. The Company's exploration and development activities may be affected by changes in government, political instability and the nature of various government regulations relating to the mining industry. The Company cannot predict the government's positions on mining concessions, land tenure, environmental regulation or taxation. A change in government positions on these issues could adversely affect the Company's business and/or its holdings, assets and operations. Any changes in regulations or shifts in political conditions are beyond the control of the Company.

In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and could have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Other Information

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