

**Nevada Silver Corporation**  
**(formerly NBS Capital Inc.)**  
**Unaudited Condensed Interim Financial Statements**  
*Three and nine months ending March 31, 2021 and 2020*

**NOTICE OF NO AUDIT OR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

# Nevada Silver Corporation (formerly NBS Capital Inc.)

March 31, 2021 and March 31, 2020

## Contents

(unaudited, in Canadian dollars)

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	<b>Page</b>
<b>Unaudited Condensed Interim Financial Statements</b>	
Unaudited Condensed Interim Statements of Financial Position.....	2
Unaudited Condensed Interim Statements of Changes in Shareholders' Equity .....	3
Unaudited Condensed Interim Statements of Comprehensive Loss and Comprehensive Loss .....	4
Unaudited Condensed Interim Statements of Cash Flows.....	5
<b>Notes to the Unaudited Condensed Interim Financial Statements</b> .....	<b>6 - 10</b>

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*The accompanying notes are an integral part of these unaudited condensed interim financial statements*

**Nevada Silver Corporation**  
**(formerly NBS Capital Inc.)**  
**Unaudited Condensed Interim Statements of Financial Position**  
(In Canadian dollars)

As at	<i>March 31, 2021</i>	<i>June 30, 2020</i>
<b>Assets</b>		
<b>Current</b>		
Cash	39,945	65,763
Short term investments (Note 4)	203,952	253,813
Deferred finance fees (Note 1)	7,599	-
Prepaid expenses	-	5,224
Loan receivable	25,000	-
	<b>276,496</b>	<b>324,800</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	237,997	31,437
	<b>237,997</b>	<b>31,437</b>
<b>Shareholders' Equity</b>		
Share capital (Note 5)	513,959	453,906
Contributed surplus (Note 5)	60,445	54,747
Warrants (Note 5)	-	26,501
Deficit	(535,905)	(241,791)
	<b>38,499</b>	<b>293,363</b>
	<b>276,496</b>	<b>324,800</b>

**Nature of the Organization** (Note 1)

**Approved on behalf of the Board**

[signed] "Gary Lewis"

**Director**

[signed] "John Kutkevicius"

**Director**

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**Nevada Silver Corporation**  
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**Unaudited Condensed Interim Statements of Changes in Shareholders' Equity**  
(in Canadian dollars)

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	Share Capital		Contributed Surplus	Warrants	Deficit	Shareholders' Equity
	Common Shares (number)	Amount				
<b>Balance - July 1, 2019</b>	5,348,783	453,906	54,747	26,501	(106,911)	428,243
Net loss	-	-	-	-	(120,828)	(120,828)
<b>Balance - March 31, 2020</b>	<b>5,348,783</b>	<b>453,906</b>	<b>54,747</b>	<b>26,501</b>	<b>(227,739)</b>	<b>307,415</b>
<b>Balance - July 1, 2020</b>	5,348,783	453,906	54,747	26,501	(241,791)	293,363
Broker Warrants Exercised and Expired	287,589	60,053	5,698	(26,501)	-	39,250
Net loss	-	-	-	-	(294,114)	(294,114)
<b>Balance - March 31, 2021</b>	<b>5,636,372</b>	<b>513,959</b>	<b>60,445</b>	<b>-</b>	<b>(535,905)</b>	<b>38,499</b>

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**Nevada Silver Corporation**  
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**Unaudited Condensed Interim Statements of Comprehensive Loss**  
(in Canadian dollars)

	Three month period ended		Nine month period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Revenue</b>				
Interest income	-	1,650	421	4,824
<b>Expenses</b>				
Accounting fees	13,905	-	28,257	15,597
Bank charges	115	36	233	114
Insurance	1,997	-	6,346	8,303
Legal fees	100,000	-	226,735	33,985
Office expenses	9,511	1,789	14,804	10,615
Share-based compensation	-	-	-	-
Stock exchange fees	6,739	17,194	9,840	17,194
Transfer agent fees	1,458	973	7,285	3,379
Travel	-	5,598	1,035	36,465
	<b>133,725</b>	<b>25,590</b>	<b>294,535</b>	<b>125,652</b>
<b>Net loss and comprehensive loss</b>	<b>(133,725)</b>	<b>(23,940)</b>	<b>(294,114)</b>	<b>(120,828)</b>
<b>Loss per share</b>				
Basic and diluted	<b>(0.03)</b>	<b>(0.01)</b>	<b>(0.08)</b>	<b>(0.03)</b>
<b>Weighted average number of common shares</b>	<b>3,951,139</b>	<b>3,663,550</b>	<b>3,773,758</b>	<b>3,663,550</b>

The accompanying notes are an integral part of these unaudited condensed financial statements

**Nevada Silver Corporation**  
**(formerly NBS Capital Inc.)**  
**Unaudited Condensed Interim Statements of Cash Flows**  
(unaudited, in Canadian dollars)

	<i>Nine months ended March 31, 2021</i>	<i>Nine months ended March 31, 2020</i>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Net loss	(294,114)	(120,828)
Changes in working capital accounts		
Prepaid expenses	5,224	2,817
Accounts payable and accrued	206,560	11,820
<b>Cash used for operating activities</b>	<b>(82,330)</b>	<b>(106,191)</b>
<b>Investing activities</b>		
Loan advances	(25,000)	-
Purchase of short-term investments	(662,143)	(1,366,102)
Redemption of short-term investments	712,004	1,514,982
<b>Cash provided by investing activities</b>	<b>24,861</b>	<b>148,879</b>
<b>Financing activities</b>		
Finance fees paid	(7,599)	-
Proceeds received on exercise of warrants	39,250	-
<b>Cash provided by financing activities</b>	<b>31,651</b>	<b>-</b>
<b>(Decrease) increase in cash</b>	<b>(25,818)</b>	<b>42,688</b>
<b>Cash, beginning of period</b>	<b>65,763</b>	<b>23,796</b>
<b>Cash, end of period</b>	<b>39,945</b>	<b>66,484</b>

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

**Nevada Silver Corporation**  
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**Notes to the Condensed Interim Financial Statements**  
*Three and nine months ending March 31, 2021 and 2020*

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**1. DESCRIPTION OF BUSINESS**

Nevada Silver Corporation (formerly NBS Capital Inc.) (the “Company” or “NSC”) was incorporated under the Canada Business Corporations Act on March 1, 2018. The Company was classified as a Capital Pool Company (“CPC”) as defined in Policy 2.4 of the TSX Venture 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 the Exchange rules.

The head office and registered office of the Company is located at 130 Spadina Avenue, Suite 401, Toronto, ON M5V 2L4.

The Company issued 1,685,233 common shares for gross proceeds of \$115,000 by way of private placement on May 31, 2018. On November 30, 2018 the Company’s prospectus for an Initial Public Offering (“IPO”) of the Company’s common shares was receipted by the regulatory authorities. The IPO closed on December 17, 2018 and a total of 3,663,550 common shares were issued at a price of \$0.14 per common share for gross proceeds of \$500,000. The Company’s shares commenced trading on the Exchange on December 18, 2018 under the symbol NBS.P.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

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.

Subsequent to March 31, 2021, the Company announced approval to change its name to Nevada Silver Corporation and consolidated its issued and outstanding common shares the basis of 0.73271 (new) common shares for everyone (old) common share (the “Consolidation”). All references to share and per share amounts in these financial statements have been retroactively restated to reflect the Consolidation.

**2. BASIS OF PRESENTATION**

**Statement of compliance**

The unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. In the opinion of management, they include all adjustments necessary for fair presentation. Certain disclosures included in the notes to the annual financial statements have been condensed in the following note disclosures or have been disclosed on an annual basis accordingly. Accordingly, these unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements as at and for the year ended June 30, 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These unaudited condensed interim financial statements were authorized for issuance in accordance with a resolution of the directors on May 31, 2021.



**Nevada Silver Corporation**  
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**Notes to the Condensed Interim Financial Statements**  
*Three and nine months ending March 31, 2021 and 2020*

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**Basis of measurement**

These unaudited condensed interim financial statements have been prepared on a going concern basis, under the historical cost convention.

**Functional currency and currency of presentation**

The unaudited condensed interim financial statements are presented in Canadian dollars which is also the functional currency of the Company.

**Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in Note 3 in the annual financial statements for the year ended June 30, 2020.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied by the Company are described in Note 3 of the annual financial statements for the year ended June 30, 2020. These unaudited condensed interim financial statements at March 31, 2021 have been prepared in accordance with the same accounting policies as the most recent annual financial statements as at and for the year ended June 30, 2020.

**4. SHORT-TERM INVESTMENTS**

The short-term investments were re-invested upon maturity on March 17, 2021 at an annual interest rate of 0.30% with an updated maturity date of June 25, 2021.

	<u>March 31, 2021</u>	<u>June 30, 2020</u>
<b>Guaranteed investment certificates</b>	\$ 203,952	\$ 253,813
<b>Interest rate</b>	0.30%	0.30%-0.40%
<b>Maturity date</b>	June 25, 2021	August 27, 2020

**5. SHARE CAPITAL**

**Authorized**

An unlimited number of common shares with no par value.

**Nevada Silver Corporation**  
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**Notes to the Condensed Interim Financial Statements**  
*Three and nine months ending March 31, 2021 and 2020*

**Issued and outstanding**

	<b>Number of Common Shares</b>	<b>Amount</b>
		<b>\$</b>
Opening and Ending Balance, June 30, 2020	5,348,783	453,906
Agents Warrant Exercised	<b>287,588</b>	<b>60,053</b>
<b>Ending Balance March 31, 2021</b>	<b>5,636,371</b>	<b>513,959</b>

During the period from the date of incorporation (March 1, 2018) to May 31, 2018, the Company issued 1,685,233 common shares at \$0.07 per share, which are held in escrow pursuant to the requirements of the Exchange. The escrow shares have not been contemplated in the weighted average shares outstanding calculation (Note 8).

On December 16, 2020, the Company issued 287,588 common shares on exercise of agent warrants in exchange for consideration of \$39,250. In connection with the exercise of the warrants an amount of \$20,803 was reclassified from warrants reserve to share capital which reflects the original fair value of the exercised warrants. The original fair value of the expired warrants of \$5,698 was reclassified from warrants reserve to contributed surplus.

There were no changes in the Company's share capital for the nine months ended March 31, 2020.

**Stock option plan**

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 outstanding common 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. Options generally vest immediately after a specific event has occurred. All options expire on the fifth 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.

No stock options were granted, exercised, cancelled or expired in the nine months ended March 31, 2021 or 2020 and stock options outstanding and exercisable as at March 31, 2021 are summarized as follows:

<b>Options Outstanding</b>		<b>Options Exercisable</b>	
<b>Exercise Price (\$)</b>	<b>Number Outstanding</b>	<b>Weighted Average Remaining Contractua I Life (years)</b>	<b>Number Exercisable</b>
<b>\$ 0.14</b>	<b>534,878</b>	<b>2.91</b>	<b>534,878</b>

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**Agent warrants**

On December 18, 2018, the Company granted 366,355 warrants as part of the units sold through their initial public offering. Each warrant was exercisable into one common share of the Company at a price of \$0.14 per share and had an expiration date of December 18, 2020. On December 16, 2020, the agent exercised 285,589 warrants and the remaining warrants expired.

	#	\$
Outstanding, July 1, 2020	366,355	0.14
Granted	-	-
Exercised	(287,589)	0.14
Expired/cancelled	(78,766)	0.14
Outstanding, March 31, 2021	-	-

**6. LOSS PER SHARE**

The basic and fully diluted loss per share has been calculated using the weighted average number of common shares outstanding for the three and nine months ended March 31, 2021 and 2020 and the net loss for the three and nine months ended March 31, 2021 and 2020 as follows:

	<b>Three month period ended March 31</b>		<b>Nine month period ended March 31</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Basic and diluted loss per share:				
Net loss	\$ 133,725	\$ 23,940	\$ 294,114	\$ 120,828
Weighted average number of common shares outstanding	3,951,139	3,663,550	3,773,758	3,663,550
Basic and diluted loss per share:	\$ 0.03	\$ 0.01	\$ 0.08	\$ 0.03

**7. KEY MANAGEMENT PERSONNEL AND DIRECTOR COMPENSATION**

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Company and are defined as the Chief Officers of the Company and the Company's Board of Directors.

During the three and nine-month periods ended March 31, 2021 and 2020 there were no salaries, compensation or share based compensation amounts earned by key management personnel or directors of the Company.

During the three and nine-month periods ended March 31, 2021 and 2020 the Company was charged \$3,249 (2020 - \$1,271) and \$9,746 (2020 - \$2,966) respectively, by a Company (hyperNET Inc.) controlled by a former director (Paul Barbeau). As at March 31, 2021, \$3,249 (June 30, 2020 - \$1,836) is included in accounts payable and accrued liabilities related to these services.

During the three and nine-month periods ended March 31, 2021 and 2020 the Company was charged \$Nil (2020 - \$Nil) and \$123,539 (2020 - \$Nil) respectively by a legal Partnership for which one of its Partners is a director of the Company. As at March 31, 2021, \$106,589 (June 30, 2020 - \$Nil) is included in accounts payable and accrued liabilities related to these services.

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**Notes to the Condensed Interim Financial Statements**  
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The services provided above were in the normal course of business and have been measured at the exchange amount.

**8. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

**9. SUBSEQUENT EVENTS**

- a) On April 30, 2021 the Company completed the arm's length Qualifying 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 securities of EML, and EML became a wholly-owned subsidiary of the Company (the "Resulting Issuer" following completion of the Qualifying Transaction).

Prior to completing the Qualifying 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 everyone (old) common share. Pursuant to the terms of the Arrangement Agreement, all outstanding ordinary 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 include 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 \$5,049,635.13 (the "Concurrent Financing"). A total of 7,650,962 warrants of the Company and EML were also issued in connection with the Qualifying Transaction to the subscribers in 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 Qualifying 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 the Exchange be greater than \$1.00 for twenty consecutive trading days. Following completion of the Qualifying Transaction and after the issuance of 650,000 common shares to Sheldon Inwentash in connection with his role going forward as Chair of the Board, there are 65,943,193 common shares of the issuer (the "Resulting Issuer") resulting from the completion of the Arrangement. Proceeds from the Concurrent Financing have been released from escrow to the Resulting Issuer.

On May 6, 2021 the Exchange accepted for filing the Company's Qualifying Transaction.

As at March 31, 2021, the Company has incurred \$7,599 in costs directly related to the Concurrent Financing, which has been deferred in these condensed interim financial statements. In addition, in connection with the Concurrent Financing, cash payments totaling \$39,472 and 119,611 finder warrants are payable.

- b) On May 7, 2021 the Company granted an aggregate of 2,100,000 stock options to certain directors, officers and consultants of the Company. These stock options were issued in accordance with, and subject to, the provisions of the Company's stock option plan and are subject to approval of the Exchange. 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.