

Nevada Silver Corporation
(formerly NBS Capital Inc.)
Management's Discussion and Analysis
Three and Nine months ended March 31, 2021 and 2020

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Dated: May 31, 2021

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.) (the "Company" or "NSC") was prepared by management of the Company as at March 31, 2021, and should be read in conjunction with the Company's unaudited condensed interim financial statements and notes thereto for the three and nine months ended March 31, 2021 (the "Financial Statements"). 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 International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

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.

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

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

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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 received 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 in a business venture 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.

Qualifying Transaction

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 every one (old) common share (the "Consolidation"). 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. Immediately prior to the completion of the Arrangement, a total of 534,878 stock options were exercised and a total of 534,878 common shares were issued.

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.

Selected Financial Information

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

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

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Selected Statement of Financial Position Data

	As at March 31, 2021	As at March 31, 2020	As at June 30, 2020
Net working capital	38,499	307,415	293,363
Total current assets	276,496	319,235	324,800
Total current liabilities	237,997	11,820	31,437
Total shareholders' equity	38,499	307,415	293,363

Quarterly Information

	Three months ended			
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Net (loss) for the period	(133,725)	(121,353)	(39,036)	(13,871)
Weighted average number of shares	3,951,139	3,704,633	3,663,550	3,663,550
Net (loss) per share	(0.03)	(0.03)	(0.010)	(0.003)

	Three months ended			
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Net (loss) for the period	(23,940)	(46,156)	(50,732)	(6,679)
Weighted average number of shares	3,663,500	3,663,550	3,663,550	3,663,550
Net (loss) per share	(0.006)	(0.012)	(0.13)	(0.001)

Selected Statement of loss and Comprehensive loss

The Company did not have any operations and did not conduct any business other than the identification and evaluation of business and assets for potential acquisition. The following table sets forth selected results of operations for the nine months ended March 31, 2021 and 2020.

	Nine months ended March 31, 2021	Nine months ended March 31, 2020
Interest Income	421	4,824
Expenses	294,535	125,652
Net (loss) for the period	(294,114)	(120,828)
Basic income (loss) per share	(0.08)	(0.03)

The expenses in the nine months ended March 31, 2021 were attributable to increased costs incurred in connection with the review of potential Qualifying Transaction.

Results of Operations

The Company did not have any operations and did not conduct any business other than the identification and evaluation of business and assets for potential acquisition.

During the nine months ended March 31, 2021 (March 31, 2020), the Company recorded a net loss of \$294,114 (\$120,828) consisting of \$294,535 (\$125,652) in expenses and interest income of \$421 (\$4,824).

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Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets forth a breakdown of material components of the general and office costs of the Company for the nine months ended March 31, 2021 and March 31, 2020 and the year ended June 30, 2020.

	Nine Months Ended March 31, 2021	Nine Months Ended March 31, 2020	Year Ended June 30, 2020
Accounting fees	\$28,257	\$15,597	\$19,829
Bank charges	\$233	\$114	\$129
Insurance	\$6,346	\$8,303	\$5,306
Legal fees	\$226,735	\$33,985	\$42,121
Meals and entertainment	-	-	\$192
Office expenses	\$14,804	\$10,615	\$17,290
Stock exchange	\$9,840	\$17,194	\$17,194
Telecommunications	-	-	\$119
Transfer fees	\$7,285	\$3,379	\$4,352
Travel	\$1,035	\$36,465	\$34,236
	<u>\$294,535</u>	<u>\$125,652</u>	<u>\$140,768</u>

The following table sets forth a breakdown of material components of the expenses of the Company for each of the quarters in the year ended March 31, 2021 and 2020.

	Three months ended			
	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Accounting Fees	\$13,905	\$5,320	\$9,032	\$4,232
Bank Charges	\$115	\$93	\$25	\$15
Insurance	\$1,997	\$1,353	\$2,996	(\$2,996)
Legal fees	\$100,000	\$106,621	\$20,114	\$8,136
Meals and Entertainment	-	-	-	-
Office Expenses	\$9,511	\$4,477	\$816	\$6,982
Stock exchange	\$6,739	-	\$3,101	-
Telephone and Internet	-	-	-	-
Transfer Agent fees	\$1,458	\$4,854	\$973	\$973
Travel	\$0	(\$1,194)	\$2,229	(\$2,229)
	<u>\$133,725</u>	<u>\$121,524</u>	<u>\$39,286</u>	<u>\$15,113</u>

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	Three months ended			
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Accounting Fees	-	\$8,343	\$7,255	-
Bank Charges	\$36	\$40	\$37	\$25
Insurance	\$0	\$8,303	-	
Legal fees	\$0	\$13,645	\$20,340	\$7,685
Meals and Entertainment	-	-	-	\$253
Office Expenses	\$1,789	\$5,456	\$3,371	(\$1,488)
Stock exchange	\$17,194	-	-	-
Telephone and Internet	\$0	-	-	\$107
Transfer Agent fees	\$973	\$973	\$1,433	\$649
Travel	\$5,598	\$10,860	\$20,007	\$1,080
	\$25,590	\$47,620	\$52,442	\$8,309

Liquidity, Capital Resources, and Outlook

As of March 31, 2021 (June 30, 2020), the Company had working capital of \$38,499 (\$293,363). This included \$39,945 (\$65,763) in cash, short term investments maturing June 25, 2021 of \$203,952 (\$253,813), deferred finance fees of \$7,599 (\$Nil), prepaid expenses of \$Nil (\$5,224), Loan receivable of \$25,000 (\$nil) to settle current liabilities of \$237,997 (\$31,437).

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

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

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

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.

The services provided above were in the normal course of business and have been measured at the exchange amount.

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Critical Accounting Estimates and Policies

The Company's significant accounting policies and the adoption of new accounting policies, if any, are disclosed in the financial statements for the nine months ending March 31, 2021.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, short-term investments, accounts payable and accrued liabilities. 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	65,943,193
Share options with a weighted average exercise price of \$0.33	2,100,000
Share purchase warrants	7,907,463
Fully Diluted	75,950,656

Subsequent Event

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.

Disclosure Controls and Procedures

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

Other Information

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