
NEVADA SILVER CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements 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 consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

NEVADA SILVER CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars)

As at	Note	March 31, 2022 \$	December 31, 2021 \$
ASSETS			
Current assets			
Cash		1,244,798	301,568
Receivables		36,229	29,005
Prepaid expenses		123,829	73,439
		1,404,856	404,012
Exploration and evaluation assets	7	6,743,826	6,428,291
Equipment		7,294	1,848
Total assets		8,155,976	6,834,151
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	720,818	804,731
Loans from related parties	8	216,292	240,234
		937,110	1,044,965
SHAREHOLDERS' EQUITY			
Share capital	9	13,158,869	11,132,159
Share-based payments reserve	9	694,267	600,142
Foreign currency translation reserve		(99,099)	(41,397)
Deficit		(6,535,171)	(5,901,718)
		7,218,866	5,789,186
Total liabilities and shareholders' equity		8,155,976	6,834,151

Nature of operations and going concern (Note 1)
Subsequent event (Note 13)

Approved and authorized on behalf of the Board of Directors on May 30, 2022

"Gary Lewis" Director

"John Kutkevicius" Director

NEVADA SILVER CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three months ended March 31, 2022 and 2021
(Unaudited – Expressed in Canadian Dollars)

	Note	For the three months ended March 31,	
		2022 \$	2021 \$
EXPENSES			
Directors fees	10	106,811	44,019
Exploration and evaluation costs		3,799	1,208
Filing fees		22,221	8,900
Interest and bank charges	8	5,217	5,867
Depreciation		213	-
Marketing		99,126	2,898
Office expenses		15,992	6,630
Rent		6,788	10,878
Professional fees	10	216,538	354,121
Share-based compensation	9	94,125	-
Travel		62,119	2,450
LOSS BEFORE OTHER EXPENSE		(632,949)	(436,971)
OTHER EXPENSE			
Foreign exchange loss		(504)	(8,146)
NET LOSS FOR THE PERIOD		(633,453)	(445,117)
OTHER COMPREHENSIVE INCOME ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO LOSS:			
Exchange difference on translation of foreign operations		(57,702)	19,882
COMPREHENSIVE LOSS FOR THE PERIOD		(691,155)	(425,235)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.01)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING			
		66,460,160	43,820,020

NEVADA SILVER CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – 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, 2020		43,820,000	4,064,317	-	(70,295)	(1,327,633)	2,666,389
Net and comprehensive loss for the period		-	-	-	19,882	(445,117)	(425,235)
Balance, March 31, 2021		43,820,020	4,064,317	-	(50,413)	(1,772,750)	2,241,154
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, 10	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 period		-	-	-	9,016	(4,128,968)	(4,119,952)
Balance, December 31, 2021		65,993,193	11,132,159	600,142	(41,397)	(5,901,718)	5,789,186
Shares issued pursuant to private placement	9	6,670,000	2,001,000	-	-	-	2,001,000
Shares issued for Belmont project agreement	7	118,750	38,000	-	-	-	38,000
Share issuance costs	9	-	(12,290)	-	-	-	(12,290)
Share-based compensation	9	-	-	94,125	-	-	94,125
Net and comprehensive loss for the period		-	-	-	(57,702)	(633,453)	(691,155)
Balance, March 31, 2022		72,781,943	13,158,869	694,267	(99,099)	(6,535,171)	7,218,866

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

NEVADA SILVER CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

	Note	2022 \$	2021 \$
Operating activities:			
Net loss for the period		(633,453)	(445,117)
Items not affecting cash:			
Accrued interest expense	8	-	5,632
Depreciation		213	-
Share-based compensation	9	94,125	-
Changes in non-cash working capital related to operations:			
Receivables		(7,224)	(9,666)
Prepaid expenses		(50,390)	(854)
Accounts payable and accrued liabilities		(254,055)	489,037
Net cash used in operating activities		(850,784)	39,032
Investing activities:			
Exploration and evaluation assets acquisition and exploration costs		(161,509)	(17,157)
Equipment		(5,659)	-
Net cash used in investing activities		(167,168)	(17,157)
Financing activities:			
Shares issued for cash, net of issue costs	9	1,988,710	-
Deferred financing costs		-	(97,968)
Loan repayments to related parties	8	(27,528)	-
Loan proceeds	8	-	72,547
Net cash provided by financing activities		1,961,182	(25,421)
Increase (decrease) in cash during the period		943,230	(3,546)
Cash – beginning of the period		301,568	9,134
Cash – end of the period		1,244,798	5,588
Income taxes paid		-	-
Interest paid		3,768	-

Non-cash transactions (Note 12)

NEVADA SILVER CORPORATION
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Nevada Silver Corporation (“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 condensed interim consolidated 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”). The Company’s common shares are listed on the TSX Venture Exchange (the “TSXV”) under the symbol “NSC”. Effective January 2022, the Company obtained approval for trading on the OTCQB and commenced trading on the OTCQB under the ticker symbol “NVDSF”.

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 condensed interim 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 March 31, 2022, the Company had accumulated losses of \$6,535,171 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 Company’s business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia’s military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the pandemic and the conflict in the Ukraine to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. 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 condensed interim 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.

NEVADA SILVER CORPORATION
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s audited financial statements for the year ended December 31, 2021. They do not include all the information required for complete annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and therefore should be read together with the audited financial statements for the year ended December 31, 2021.

b) Basis of presentation

These condensed interim 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 condensed interim 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.

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(Unaudited – Expressed in Canadian Dollars)

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.

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; 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 condensed interim consolidated financial statements within the next financial year are discussed below:

Going concern assumption

These condensed interim 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 condensed interim consolidated statement of financial position classifications used.

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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.

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:

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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.

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 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

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(Unaudited – Expressed in Canadian Dollars)

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

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:

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(Unaudited – Expressed in Canadian Dollars)

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
<hr/>	
Net assets acquired	\$
Cash	2
Accounts payable and accrued liabilities	(148,968)
Exploration and evaluation assets	1,227,060
	1,078,094

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
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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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(Unaudited – Expressed in Canadian Dollars)

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.

Belmont Silver Project

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 \$0.32 per share on the effective date (issued 117,850 common shares valued at \$38,000);
- 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.

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.

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

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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.

Summary of Expenditures

Below is a summary of the changes in the exploration and evaluation assets during the year ended December 31, 2021 and three months ended March 31, 2022:

	Corcoran Canyon Silver Project \$	Emily Manganese Project \$	Total \$
Balance, December 31, 2020	2,682,269	1,360,157	4,042,426
Acquisition costs	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
Acquisition costs	38,000	-	38,000
Consulting	109,572	66,279	175,851
Permitting, sampling, assays and surveys	40,836	-	40,836
Drilling	65,969	-	65,969
Site visits	22,028	-	22,028
Staking	5,065	-	5,065
Foreign exchange	(40,841)	8,627	(32,214)
Balance, March 31, 2022	5,018,574	1,725,252	6,743,826

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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 \$10,382 as at March 31, 2022 (December 31, 2021 – \$10,205).

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. During the three months ended March 31, 2022, the Company made repayments of \$27,528. The loan is non-interest bearing and due on demand. The balance of the loan payable was \$205,910 as at March 31, 2022 (December 31, 2021 - \$230,029).

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 March 31, 2022 (December 31, 2021 - \$nil).

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 March 31, 2022 (December 31, 2021 - \$nil).

	\$
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
Loan repayments	(27,528)
Foreign exchange	3,586
Balance, March 31, 2022	216,292

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9. SHARE CAPITAL

- a) **Authorized** – Unlimited common shares without par value.
- b) **Issued and outstanding** – 72,781,943 common shares (December 31, 2021 – 65,993,193 common shares)
- c) **Financings**

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 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.

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.

On February 11, 2022, the Company issued 118,750 common shares to Summa LLC pursuant to an option payment for exploration and evaluation assets.

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On February 28, 2022, the Company closed a private placement of 6,670,000 units of the Company for gross proceeds of \$2,001,000. 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 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 equal to or greater than \$0.80 for ten consecutive trading days. Total share issue costs of \$12,290 were incurred in connection with the private placement. Using the residual method, proceeds of \$2,001,000 were attributed to common shares and \$nil was attributed to warrants.

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 USD\$0.25 per share for gross proceeds of up to USD\$750,000.

d) 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 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 \$58,982 was recorded during the three months ended March 31, 2022 (2021 - \$nil).

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 \$35,143 was recorded during the three months ended March 31, 2022 (2021 - \$nil).

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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:

	Three months ended March 31, 2022	Year ended December 31, 2021
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

A summary of stock option activity is as follows:

	Options #	Weighted average exercise price \$
Balance outstanding, December 31, 2020	-	-
Granted	2,400,000	0.35
Exercised	(50,000)	0.33
Balance outstanding, December 31, 2021 and March 31, 2022	2,350,000	0.35
Options exercisable, March 31, 2022	1,645,000	0.34

As at March 31, 2022, the Company had the following options outstanding:

	Exercise Price \$	Remaining Life (Years)	Options Outstanding #
Expiry Date			
May 6, 2031	0.33	9.10	2,050,000
November 26, 2031	0.45	9.66	300,000

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e) Warrants

A summary of warrant activity is as follows:

	Warrants #	Weighted average exercise price \$
Balance outstanding, December 31, 2020	-	-
Granted	7,650,962	0.60
Balance outstanding, December 31, 2021	7,650,962	0.60
Granted	3,335,000	0.45
Balance outstanding, March 31, 2022	10,985,962	0.55

As at March 31, 2022, the Company had the following warrants outstanding:

Expiry Date	Exercise Price \$	Remaining Life (Years)	Warrants Outstanding #
April 30, 2023	0.60	1.08	7,650,962
February 28, 2024	0.45	1.92	3,335,000

f) Finders Warrants

A summary of finders warrants activity is as follows:

	Finders warrants #	Weighted average exercise price \$
Balance outstanding, December 31, 2020	-	-
Granted	256,501	0.60
Balance outstanding, December 31, 2021 and March 31, 2022	256,501	0.60

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As at March 31, 2022, the Company had the following finders warrants outstanding:

Expiry Date	Exercise Price \$	Remaining Life (Years)	Warrants Outstanding #
April 30, 2023	0.60	1.08	256,501

10. 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.

The Company incurred charges to directors and officers, or to companies associated with these individuals, during the three months ended March 31, 2022 and 2021:

	Three months ended March 31,	
	2022	2021
	\$	\$
Directors fees	48,000	-
Consulting fees	95,919	44,019
Professional fees	109,910	3,885
Share-based compensation	51,960	-
	305,789	47,904

The amounts due to related parties at March 31, 2022 are \$216,824 (December 31, 2021 – \$268,960) owing to directors of the company 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 three months ended March 31, 2022, the Company was charged \$96,575 (2021 - \$nil) by a legal partnership of which one of its partners is a director of the Company.

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.

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11. SEGMENT INFORMATION

During the three months ended March 31, 2022, 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 March 31, 2022	Total non-current assets as at December 31, 2021
	\$	\$
USA	6,751,120	6,430,139
Total non-current assets	6,751,120	6,430,139

	Three months ended March 31,	
	2022	2021
	\$	\$
Canada	(511,358)	-
USA	(117,321)	(43,376)
Australia	(4,774)	(401,741)
Total net loss	(633,453)	(445,117)

12. NON-CASH TRANSACTIONS

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

During the three months ended March 31, 2022, the following transactions were excluded from the condensed interim consolidated statement of cash flows:

- the Company issued 118,750 common shares as acquisition costs valued at \$38,000 (Note 7); and
- capitalized exploration and evaluation costs of \$116,026 included in accounts payable and accrued liabilities as at March 31, 2022.

During the three months ended March 31, 2021, there were no non-cash transactions excluded from the condensed interim consolidated statement of cash flows.

13. SUBSEQUENT EVENT

In April 2022, 180,000 unvested stock options were cancelled due to the termination of a consulting agreement related to the November 26, 2021 grant. The expiration date of the 120,000 vested stock options were accelerated to June 23, 2022.