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**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020  
(Unaudited – Expressed in Canadian Dollars)

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## **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.

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**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Expressed in Canadian Dollars)

	Note	June 30, 2021 \$	December 31, 2020 \$
<b>ASSETS</b>			
Current assets			
Cash		1,343,515	9,134
Short-term investments		1,999,661	-
Receivables		17,848	15,009
Prepaid expenses		-	23,181
		<u>3,361,024</u>	<u>47,324</u>
Reclamation bond		92,955	-
Exploration and evaluation assets	<b>7</b>	4,292,772	4,042,426
		<u>7,746,751</u>	<u>4,089,750</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	<b>10</b>	543,786	937,071
Loans from related parties	<b>8</b>	625,432	486,290
		<u>1,169,218</u>	<u>1,423,361</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	<b>9</b>	11,119,233	4,064,317
Contributed surplus	<b>9</b>	331,486	-
Foreign currency translation reserve		32,334	(70,295)
Deficit		(4,905,520)	(1,327,633)
		<u>6,577,533</u>	<u>2,666,389</u>
		<u>7,746,751</u>	<u>4,089,750</u>

Nature of operations and going concern (Note 1)

**Approved and authorized on behalf of the Board of Directors on August 30, 2021**

\_\_\_\_\_  
“Gary Lewis” Director

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“John Kutkevicius” Director

**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

	Note	For the three months ended June 30,		For the six months ended June 30,	
		2021 \$	2020 \$	2021 \$	2020 \$
<b>EXPENSES</b>					
Consulting fees		96,488	235	96,488	3,621
Directors fees	10	263,781	71,277	307,800	183,860
Exploration and evaluation costs		-	58,819	1,208	165,611
Filing fees		41,455	515	50,355	586
Foreign exchange loss (gain)		3,250	(17,307)	11,396	-
Interest and bank charges	8	6,126	2,416	11,993	2,416
Marketing		35,480	14,216	38,378	17,073
Office expenses		55,045	26,497	61,675	32,654
Rent		6,559	516	17,437	852
Professional fees	10	445,043	13,185	799,164	25,181
Share-based compensation	9	299,464	-	299,464	-
Travel		2,453	-	4,903	-
<b>LOSS BEFORE OTHER INCOME (EXPENSE)</b>		<b>(1,255,144)</b>	<b>(170,369)</b>	<b>(1,700,261)</b>	<b>(431,854)</b>
<b>OTHER INCOME (EXPENSE)</b>					
Interest income		1,778	-	1,778	-
Listing expense	4	(1,879,404)	-	(1,879,404)	-
<b>NET LOSS FOR THE PERIOD</b>		<b>(3,132,770)</b>	<b>(170,369)</b>	<b>(3,577,887)</b>	<b>(431,854)</b>
<b>OTHER COMPREHENSIVE INCOME ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO LOSS:</b>					
Exchange difference on translation of foreign operations		82,747	(34,958)	102,629	(13,490)
<b>COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(3,050,023)</b>	<b>(205,327)</b>	<b>(3,475,258)</b>	<b>(445,344)</b>
<b>NET LOSS PER SHARE – BASIC AND DILUTED</b>					
		(0.05)	(0.01)	(0.07)	(0.02)
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>					
		58,892,951	29,815,799	51,398,123	19,710,097

**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited – Expressed in Canadian dollars, except for share figures)

	Number of Shares #	Share Capital \$	Contributed Surplus \$	Foreign Currency Translation Reserve \$	Deficit \$	Total \$
Balance, December 31, 2019	10,000,000	1	-	(4,560)	(399,359)	(403,918)
Shares issued for cash	4,000,000	416,261	-	-	-	416,261
Shares issued for services	925,000	193,273	-	-	-	193,273
Shares issued for acquisition of exploration and evaluation assets (Notes 5 and 6)	19,934,744	1,745,037	-	-	-	1,745,037
Shares issued for exploration and evaluation assets (Note 6)	5,130,511	1,071,986	-	-	-	1,071,986
Net and comprehensive loss for the period	-	-	-	(13,490)	(431,854)	(445,344)
Balance, June 30, 2020	39,990,255	3,426,558	-	(18,050)	(831,213)	2,577,295
Shares issued for cash	2,796,840	561,774	-	-	-	561,774
Share issue costs	503,500	(33,020)	-	-	-	(33,020)
Shares issued to settle debt	100,000	19,280	-	-	-	19,280
Share-based compensation	429,425	89,725	-	-	-	89,725
Net and comprehensive loss for the period	-	-	-	(52,245)	(496,420)	(548,665)
Balance, December 31, 2020	43,820,020	4,064,317	-	(70,295)	(1,327,633)	2,666,389
Shares issued to EML shareholders for RTO (Note 4)	6,171,250	2,036,513	-	-	-	2,036,513
Shares issued pursuant to private placement	15,301,923	5,049,635	-	-	-	5,049,635
Share issuance costs	-	(245,732)	32,022	-	-	(213,710)
Shares issued for services	650,000	214,500	-	-	-	214,500
Share-based compensation	-	-	299,464	-	-	299,464
Net and comprehensive loss for the period	-	-	-	102,629	(3,577,887)	(3,475,258)
<b>Balance, June 30, 2021</b>	<b>65,943,193</b>	<b>11,119,233</b>	<b>331,486</b>	<b>32,334</b>	<b>(4,905,520)</b>	<b>6,577,533</b>

**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

	Note	2021 \$	2020 \$
Operating activities:			
Net loss for the period		(3,577,887)	(431,854)
Items not affecting cash:			
Accrued interest expense	8	11,222	2,341
Services paid with shares	9	214,500	193,273
Share-based compensation	9	299,464	-
Listing expense	4	1,879,404	-
Changes in non-cash working capital related to operations:			
Receivables		22,161	(3,504)
Prepaid expenses		30,780	-
Accounts payable and accrued liabilities		(437,965)	86,828
Net cash used in operating activities		(1,558,321)	(152,916)
Investing activities:			
Exploration and evaluation assets acquisition and exploration costs		(291,807)	(534,022)
Reclamation bonds		(92,955)	-
Cash acquired from asset acquisitions	5, 6	-	41,381
Cash acquired from RTO	4	81,040	-
Purchase of short-term investments		(1,795,709)	-
Net cash used in investing activities		(2,099,431)	(492,641)
Financing activities:			
Shares issued for cash		4,835,925	292,425
Loan proceeds from related parties	8	156,208	364,808
Net cash provided by financing activities		4,992,133	657,233
Increase in cash during the period		1,334,381	11,676
Cash – beginning of the period		9,134	2,645
Cash – end of the period		1,343,515	14,321
Income taxes paid		-	-
Interest paid		-	-

**NEVADA SILVER CORPORATION**  
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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

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 is engaged in the exploration and development of mineral properties in the USA. The Company’s head office is located at 130 Spadina Avenue, Suite 401, Toronto, ON M5V 2L4. 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 Electric Metals (USA) Limited (“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 June 30, 2021, the Company had accumulated losses of \$4,905,520 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 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.

**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, 2020. 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

**NEVADA SILVER CORPORATION**  
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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and six months ended June 30, 2021 and 2020  
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("IFRIC") and therefore should be read together with the audited financial statements for the year ended December 31, 2020.

These condensed interim consolidated financial statements were approved by the board of directors for issue on August 30, 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**

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned and controlled subsidiaries, EML, incorporated in New South Wales, Australia, Electric Metals (USA) Inc., incorporated in Wyoming, USA, North American Silver Corp. ("NAS") and Centennial Mining Inc., incorporated in Nevada, USA, from date of acquisition (see Note 5), and North Star Manganese Inc. ("NSM"), incorporated in Minnesota, USA, from date of acquisition (see Note 6).

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) Functional 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) as exchange difference on translation of foreign operations.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and six months ended June 30, 2021 and 2020  
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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 other comprehensive loss 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 other comprehensive loss 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 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, the reported revenue and expenses and the 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 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 (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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For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

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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 (the “Resulting Issuer” following completion of the Transaction).

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 statements 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 condensed interim consolidated financial statements. As EML was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these condensed interim 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 carrying value of the net assets of NSC has been credited to the share capital of the Resulting Issuer. Listing expense is

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

expensed and represents the excess of fair value of NSC shares issued in the concurrent financing at \$0.33 per share over the net assets of NSC.

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 and acquired all of the issued and outstanding common shares of NAS and Centennial Mining Inc. pursuant to the terms of a share exchange agreement (the “NAS Agreement”). EML subsequently issued 5,159,744 common shares of the Company to the shareholders of NAS on May 8, 2020.

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:

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

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

**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 of the Company. 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:

<b>Purchase price</b>	<b>\$</b>
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
<b>Fair value of consideration</b>	<b>666,943</b>
<b>Net assets acquired</b>	<b>\$</b>
Cash	41,379
Accounts payable and accrued liabilities	(144,878)
Exploration and evaluation assets	770,442
	<b>666,943</b>

**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 Siler Project comprises 328 contiguous, unpatented mineral claims with an area of approximately 2,681.5 hectares. 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.

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For the three and six months ended June 30, 2021 and 2020  
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**Emily Manganese Project**

Under the Option Agreement, dated April 22, 2020, with Cooperative Mineral Resources, LLC (“CMR”) and People’s Security Company, Inc. (“PSC”), the Company’s subsidiary, NSM, has the option to purchase a 100% interest in the Emily Manganese Project in Minnesota, USA, for USD\$30,250,000.

Under the Development and Sales Agreement, dated April 22, 2020, with CMR, NSM has been engaged by CMR to evaluate and potentially develop a mine at the Emily Manganese Project on behalf of CMR, and NSM will be reimbursed for the exploration and development expenditures incurred plus an annual profit equal to 15% of the expenditures. Upon commercial production, the Company is required to pay an annual base rent equal to 2.5% of the net profit from production. The Company is also required to pay additional access payments in the aggregate amount of USD\$16,500,000 if certain conditions are satisfied.

**Summary of Expenditures**

Below is a summary of the changes in the exploration and evaluation assets during the year ended December 31, 2020 and six months ended June 30, 2021:

	<b>Corcoran Canyon Silver Project \$</b>	<b>Emily Manganese Project \$</b>	<b>Total \$</b>
<b>Balance, December 31, 2019</b>			-
Asset acquisitions (Notes 5 and 6)	1,227,060	770,442 <sup>(1)</sup>	1,997,502
Acquisition costs incurred in cash	204,828	588,262	793,090
Consulting (Note 9)	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)
<b>Balance, December 31, 2020</b>	<b>2,682,269</b>	<b>1,360,157</b>	<b>4,042,426</b>
Acquisition costs incurred in cash	-	74,054	74,054
Consulting	39,476	5,708	45,184
Permitting, sampling, assays and surveys	51,673	499	52,172
Drilling	120,397	-	120,397
Foreign exchange	(25,317)	(16,144)	(41,461)
<b>Balance, June 30, 2021</b>	<b>2,868,498</b>	<b>1,424,274</b>	<b>4,292,772</b>

<sup>(1)</sup> NSM incurred total costs of USD\$28,799 related to a 43-101 technical report prior to the Company’s acquisition of NSM.

**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

**8. LOANS FROM RELATED PARTIES**

During the period from inception on July 24, 2019 to December 31, 2019, the Company incurred unpaid 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 six months ended June 30, 2021 and the year ended December 31, 2020, the Company received additional advances totaling \$92,139 and \$18,577 respectively from the CEO. The loan is non-interest bearing, due on demand, unsecured and has no maturity date. The balance of the loan payable was \$152,400 as at June 30, 2021 (December 31, 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 Claims owned by the Company in Nevada, USA. Any balance owing greater than AUD\$100,000 is unsecured. The balance of the loan payable was \$234,646 as at June 30, 2021 (December 31, 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 is secured by the Corcoran Canyon Claims owned by the Company in Nevada, USA, bears interest at 12% per annum payable monthly in arrears, and was due on June 30, 2021. The balance of the loan payable was \$139,433 as at June 30, 2021 (December 31, 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 is secured by the Corcoran Canyon Claims owned by the Company in Nevada, USA, bears interest at 7.5% per annum payable monthly in arrears, and was due on June 30, 2021. The Company incurred borrowing costs of \$19,280 with respect to the loan. The balance of the loan payable was \$98,953 as at June 30, 2021 (December 31, 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	156,208
Interest expense	11,222
Foreign exchange	(28,288)
Balance, June 30, 2021	625,432

**9. SHARE CAPITAL**

a) **Authorized** – Unlimited common shares without par value.

**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

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**b) Issued and outstanding** – 65,943,193 common shares (December 31, 2020 – 43,820,020 common shares)

**b) 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 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 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. 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).

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.

**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

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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. 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 deemed issued (\$2,036,513) was estimated using a fair value 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 from the closing of the Transaction. 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 \$213,710 including finder's fees were incurred in connection with the concurrent financing.

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

**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 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 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.

**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

On May 6, 2021, the Company granted an aggregate of 2,100,000 stock options with a fair value of \$960,824 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 \$299,464 was recorded during the three and six months ended June 30, 2021.

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
Risk-free interest rate	1.49%	-
Expected life	10 years	-
Expected volatility	100%	-
Expected dividend yield	Nil	-
Weighted average fair value	\$0.46	-

A summary of stock option activity is as follows:

	Options	Weighted average exercise price
Balance outstanding, December 31, 2019 and 2020	-	\$ -
Granted	2,100,000	0.33
<b>Balance outstanding, June 30, 2021</b>	<b>2,100,000</b>	<b>\$ 0.33</b>
<b>Options exercisable, June 30, 2021</b>	<b>-</b>	<b>\$ -</b>

As at June 30, 2021, the Company had the following options outstanding:

Expiry Date	Exercise Price \$	Remaining Life (Years)	Options Outstanding #
May 6, 2031	0.33	9.85	2,100,000

**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

**e) 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
<b>Balance outstanding, June 30, 2021</b>	<b>7,650,962</b>	<b>\$ 0.60</b>

As at June 30, 2021, the Company had the following warrants outstanding:

	Exercise Price \$	Remaining Life (Years)	Warrants Outstanding #
Expiry Date			
April 30, 2023	0.60	1.83	7,650,962

**f) Finders Warrants**

A summary of compensation option activity is as follows:

	Compensation Options	Weighted average exercise price
Balance outstanding, December 31, 2019 and 2020	-	\$ -
Granted	256,501	0.60
<b>Balance outstanding, June 30, 2021</b>	<b>256,501</b>	<b>\$ 0.60</b>

As at June 30, 2021, the Company had the following finders warrants outstanding:

	Exercise Price \$	Remaining Life (Years)	Options Outstanding #
Expiry Date			
April 30, 2023	0.60	1.83	256,501

**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

**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 and six months ended June 30, 2021 and 2020:

	Three months ended		Six months ended	
	2021	June 30, 2020	2021	June 30, 2020
	\$	\$	\$	\$
Directors fees	284,462	71,277	328,481	183,860
Professional fees	24,099	-	27,984	-
Share-based compensation	263,814	-	263,814	-
	572,375	71,277	620,279	183,860

The amounts due to related parties included in accounts payable and accrued liabilities at June 30, 2021 are \$8,826 (December 31, 2020 – \$90,328) owing to a company in which the CFO of the Company is a shareholder.

During the three and six months ended June 30, 2021 and 2020, compensation paid to key management personnel consisted of director fees of \$284,462 and \$328,481 (2020 – \$71,277 and \$183,860) and professional fees of \$24,099 and \$27,984 (2020 – \$nil and \$nil) paid to a company in which the CFO of the Company is a shareholder.

During the six months ended June 30, 2021 and 2020 the Company was charged \$180,630 (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 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.

Other related party transactions are disclosed in Note 8.

**NEVADA SILVER CORPORATION**  
**(formerly NBS Capital Inc.)**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
For the three and six months ended June 30, 2021 and 2020  
(Unaudited – Expressed in Canadian Dollars)

**11. SEGMENT INFORMATION**

During the six months ended June 30, 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:

	<b>Total non-current assets as at June 30, 2021</b>	<b>Total non-current assets as at December 31, 2020</b>
	<b>\$</b>	<b>\$</b>
USA	4,292,772	4,042,426
<b>Total non-current assets</b>	<b>4,292,772</b>	<b>4,042,426</b>

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Canada	(2,732,385)	-	(2,732,385)	-
USA	(12,179)	(44,758)	(55,555)	(44,758)
Australia	(388,206)	(125,611)	(789,947)	(387,096)
<b>Total net loss</b>	<b>(3,132,770)</b>	<b>(170,369)</b>	<b>(3,577,887)</b>	<b>(431,854)</b>