NSX Silver Inc.

Unaudited Interim Condensed
Consolidated Financial Statements
For the quarter ended
September 30, 2013

November 27, 2013

Management's Report

The accompanying consolidated financial statements of **NSX Silver Inc.** are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparation of the financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's consolidated financial statements, and recommended their approval by the Board of Directors.

These interim unaudited condensed consolidated financial statements have not been reviewed by the external auditors of the Company.

(signed) "*Johannes H.C. van Hoof*"
President and Chief Executive Officer
Buenos Aires, Argentina

(signed) *"Glenn Holmes"*
Chief Financial Officer
Halifax, Nova Scotia

NSX Silver Inc.

Unaudited Condensed Consolidated Statements of Financial Position

As at September 30, 2013 and December 31, 2012

(expressed in Canadian dollars)

	September 30, 2013 $	December 31, 2012 $
Assets		
Current assets		
Cash and cash equivalents	184,016	1,431,171
Value added tax recoverable	134,655	244,575
Deposits and prepaid expenses (note 5)	9,900	22,475
	328,571	1,698,221
Capital assets - vehicles (net of accumulated amortization of $10,591)	27,395	36,895
Resource properties (note 6)	268,594	3,666,844
	624,560	5,401,960
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	77,000	67,355
Amount due to NSGold Corporation	3,518	20,160
	80,518	87,515
Equity	544,042	5,314,445
	624,560	5,401,960

Nature of operations and going concern (note 1)

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors

(signed) *"Johannes H.C. van Hoof"*, Director

(signed) *"Glenn Holmes"*, Director

NSX Silver Inc.

Unaudited Condensed Consolidated Statement of Changes in Equity

For the quarters ended September 20, 2013 and 2012

(expressed in Canadian dollars)

	Number of shares (note 9)	Share capital $ (note 9)	Contributed surplus $ (note 9)	Deficit $	Total $
Shares issued for cash on the date of incorporation - August 9, 2011	1,000	100	–	–	100
Net loss and comprehensive loss for the year	–	–	–	(18,280)	(18,280)
Balance – December 31, 2011	1,000	100	–	(18,280)	(18,180)
Shares issued to NSGold Corporation (note 4)	45,428,571	5,526,399	–	–	5,526,399
Stock-based compensation	–	–	261,000	–	261,000
Shares issued pursuant to resource property option agreement	250,000	62,500	–	–	62,500
Net loss and comprehensive loss for the period	–	–	–	(405,921)	(324,254)
Balance – September 30, 2012	45,679,571	5,588,999	261,000	(424,201)	5,507,465
Net loss and comprehensive loss for the period	–	–	–	(111,353)	(193,020)
Balance – December 31, 2012	45,679,571	5,588,999	261,000	(535,554)	5,314,445
Stock-based compensation	–	–	49,000	–	49,000
Shares issued pursuant to resource property option agreement	250,000	11,250	–	–	11,250
Net loss and comprehensive loss for the period	–	–	–	(4,830,653)	(4,830,653)
Balance – September 30, 2013	45,929,571	5,600,249	310,000	(5,366,207)	544,042

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

NSX Silver Inc.

Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss

For the quarters ended September 30, 2013 and 2012

(expressed in Canadian dollars)

	Three months ended September 30, 2013 $	Three months ended September 30, 2012 $	Nine months ended September 30, 2013 $	Nine months ended September 30, 2012 $
Operating expenses				
Consulting fees	17,935	28,087	66,148	76,450
Professional dues	-	740	6,300	5,865
Insurance	7,584	4,667	17,585	13,130
Professional fees	-	1,510	12,769	20,018
Stock-based compensation	38,000	-	38,000	190,000
Travel	-	1,057	1,470	12,931
Investor communication	11,752	7,500	41,500	10,000
Wages and benefits	17,890	17,083	51,862	34,853
Foreign exchange loss (gain)	-	-	(7,000)	-
Property investigations	5,288	-	5,288	-
Other	12,630	22,926	46,035	47,871
Write-down of resource property	4,565,004	-	4,565,004	-
	(4,639,083)	(83,570)	(4,844,961)	(411,218)
Other income				
Interest income	367	1,903	14,308	5,197
Net loss and comprehensive loss for the period	(4,638,716)	(81,667)	(4,830,653)	(405,921)
Loss per share - basic and diluted	($0.101)	($0.002)	($0.106)	($0.017)
Weighted average outstanding common shares – basic and diluted	45,783,207	35,522,280	45,740,011	24,487,196

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

NSX Silver Inc.

Unaudited Condensed Consolidated Statements of Cash Flows

For the quarters ended September 30, 2013 and 2012

(expressed in Canadian dollars)

	Nine months ended September 30, 2013 $	Nine months ended September 30, 2012 $
Cash provided by (used in)		
Operating activities		
Net loss for the year	(4,830,653)	(405,921)
Charges (credits) to loss not involving cash		
Stock-based compensation	38,000	190,000
Write-down of resource property	4,565,004	–
	(227,649)	(215,921)
Net changes in non-cash working capital balances related to operations		
Increase (decrease) in value added tax recoverable	109,920	(201,769)
Increase (decrease) in prepaid expenses	12,575	(12,476)
Increase (decrease) in accounts payable and accrued liabilities	30,645	(28,103)
	(74,509)	(458,269)
Investing activities		
Acquisition of capital assets	–	(14,879)
Expenditures on resource properties	(1,156,004)	(1,137,784)
	(1,156,004)	(1,152,663)
Financing activities		
Net proceeds on the issuance of capital stock	–	4,421,399
Repayment to NSGold Corporation	(16,642)	(1,059,911)
	(16,642)	3,361,488
Net change in cash and cash equivalents for the period	(1,247,155)	1,750,556
Cash and cash equivalents – Beginning of period	1,431,171	100
Cash and cash equivalents – End of period	184,016	1,750,656
Cash and cash equivalents are comprised of the following:		
Cash on hand and balances with banks	34,016	1,750,656
Short-term investments	150,000	–
	184,016	1,750,656

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

(expressed in Canadian dollars)

1 Nature of operations and going concern

Nature of operations

NSX Silver Inc. (the "Company") was incorporated under the Canada Business Corporations Act on August 9, 2011 as a wholly owned subsidiary of NSGold Corporation ("NSGold"). The common shares of the Company commenced trading on the TSX-Venture Exchange, on March 14, 2012, with the symbol NSY (see note 4). Its principal business activities will be the acquisition, exploration and development of resource properties in Mexico. The Company's registered office is located at 1550 Bedford Highway in Halifax, Nova Scotia.

Going concern

These consolidated financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assumes the realization of assets and settlement of liabilities in the normal course of business as they come due. As at September 30, 2013, NSX Silver Inc. (the "Company" or "NSX Silver") had an accumulated deficit of $5.4 million (December 31, 2012 - $0.5 million). The Company has no income or cash flow from operations. In addition to its working capital requirements, the Company must secure sufficient funding to maintain legal title to its resource properties, to fund its exploration and development activities and to fund its general and administrative costs. Such circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there is no assurance that these initiatives will be successful or sufficient.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements and eventually to generate positive cash flows, either from operations or sale of properties. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2 Basis of presentation

Statement of compliance

The Company prepares its unaudited condensed interim financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"), which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed interim consolidated financial statements have been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, has been omitted or condensed. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year-ended December 31, 2012.

The policies applied in these unaudited condensed interim consolidated financial statements are based on the IFRS as of November 27, 2013, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for

(expressed in Canadian dollars)

2 Basis of presentation (continued)

Statement of compliance (continued)

the year ending December 31, 2013 could result in the restatement of these condensed interim consolidated financial statements.

Basis of measurement

These consolidated financial statements have been prepared under a historical cost basis, except for share based payments and certain financial assets which are recorded at fair value. Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Company's functional currency is the Canadian dollar. The unaudited condensed interim consolidated financial statements are presented in Canadian dollars, which is also the presentation currency of the Company.

Use of estimates and judgments

The preparation of the financial statements requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current as well as expected economic conditions. Actual results may differ from these estimates.

Recoverability of resource properties

The Company assesses all resource properties at each reporting period date to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, future capital requirements, exploration potential and operating performance.

Fair value of assets acquired from NSGold Corporation (note 4)

The estimation of the fair value of assets acquired is determined based on the fair value of the assets received from NSGold in return for shares of the Company. The determination of the fair value requires the exercise of judgment based on various assumptions and other factors such as historical experience and current as well as expected economic conditions. In order to estimate the fair value of the assets transferred to the Company, management looked to various factors including the share prices of the Company and NSGold before and after the transaction and the inferred and in situ values of the properties transferred. A $0.01 difference in the per share value allocated to the Company's shares, issued to NSGold, would impact the fair value of the assets acquired by approximately $500,000.

3 Significant accounting policies

These financial statements have been prepared using the same policies and methods of computation as the annual consolidated financial statements of the Company for the year ended December 31, 2012. Refer to note 3 of the Company's annual consolidated financial statements for the year ended December 31, 2012 for information on the accounting policies as well as new accounting standards not yet effective.

(expressed in Canadian dollars)

4 Share subscription agreement with NSGold Corporation, acquisition of shares of Compañía Minera Oso Blanco SA de CV and distribution of the Company's shares

On February 28, 2012, the Company filed a non-offering prospectus with the securities commissions of each of the provinces of Canada, relating to the qualification and distribution of common shares of the Company by NSGold (the former parent company of the Company) to its shareholders by way of distribution in kind. The shareholders of NSGold approved a special resolution reducing NSGold's paid-up capital in connection with the "spin-out" of the shares of the Company to the shareholders of NSGold at a special meeting of the shareholders held on December 22, 2011.

In association with this spin-out and prior to the subscription of common shares of the Company by NSGold, the Company completed the acquisition of the shares of Compañía Minera Oso Blanco SA de CV (CMOB), a wholly owned subsidiary of NSGold, for one million common shares of the Company. The acquisition has been recorded as a purchase of assets which has been recorded based on the fair value of the assets of CMOB. Also, in March 2012, the Company completed a share subscription agreement with NSGold whereby NSGold acquired 44,428,571 common shares of the Company for gross proceeds of $4,665,000, net of share issue costs of $243,601.

NSGold then completed the distribution of the common shares of the Company to the NSGold shareholders whereby the shareholders received one share of the Company for each share of NSGold held as of the record date of March 16, 2012. A total of 43,553,767 shares of the Company were distributed to the shareholders of NSGold with the distribution effected by way of a distribution of paid up capital of NSGold. After the distribution, NSGold holds 1,875,804 shares of the Company.

The common shares of the Company commenced trading on the TSX Venture Exchange on March 14, 2012 as a Tier 2 Mining Issuer under the trading symbol NSY.

The net assets of the Company and CMOB on the date of spin-out by NSGold are summarized as follows:

	$
Assets acquired	
Cash	4,560,137
Sales tax recoverable	37,862
Capital assets	15,432
Resource properties	2,159,644
	6,773,075
Less liabilities assumed	(1,246,676)
	5,526,399

5 Deposits and prepaid expenses

	September 30, 2013 $	December 31, 2012 $
Prepaid shareholder communication	3,000	17,500
Prepaid insurance	5,000	2,583
Rent deposit	1,900	1,900
Prepaid other	-	492
	9,900	22,475

(expressed in Canadian dollars)

6 Resource properties

	Dios Padre $	Other $	Total $
As at January 1, 2012	–	–	–
Acquisition of resources properties (note 4)	2,153,438	6,205	2,159,643
Exploration costs incurred	1,364,867	142,334	1,507,201
Balance – December 31, 2012	3,518,305	148,539	3,666,844
Acquisition of resources properties	262,284	–	262,284
Exploration costs incurred	784,415	120,055	904,470
Write-down of resource property	(4,565,004)	–	(4,565,004)
Balance – September 30, 2013	–	268,594	268,594

Dios Padre Property Option Agreement

In connection with the purchase by the Company of the shares of CMOB, all of the rights and obligations of NSGold under a Property Option Agreement dated April 9, 2011 (see below) were assigned to the Company, so that the Company thereafter will issue shares and make cash payments to the optionor, as the case may be. The optionor has consented to such assignment.

Under the Property Option Agreement with Minera Pena Blanca S.A. de C.V. ("Minera Pena Blanca"), the Company, through its subsidiary CMOB, had the exclusive right to acquire a 100% undivided interest in three mining concessions in Mexico (Dios Padre, Don Carlos and Alejandro) from the optionor. Under the terms of an amended Property Option Agreement, the Company would acquire this 100% undivided interest by making cash payments totaling US$6 million and issuing an aggregate of 1,250,000 common shares to the optionor in five equal annual tranches. As at September 30, 2013, cash payments of US$500,000 had been made and 750,000 shares were issued to the optionor. In order to acquire a 100% interest, the Company would have to issue the remaining 500,000 shares and make the balance of the cash payments in the amount of US$5,500,000.

The Company was also required to pay the principal of Minera Pena Blanca an annual consulting fee of US$125,000 for the three years ending May 2016 subject to the amending agreement remaining in effect. In the two quarters ended September 30, 2013, the Company incurred $45,890 in consulting fees with the principal of Minera Pena Blanca.

In early September 2013, the Company informed the property owner that it was terminating its option agreement. As a result, the Company recorded a write-down of its Dios Padre resource property in the amount of $4,565,004.

(expressed in Canadian dollars)

7 Accounts payable and accrued liabilities

	September 30, 2013 $	December 31, 2012 $
Accounts payable	29,595	45,855
Accrued liabilities	47,405	21,500
	77,000	67,355

8 Compensation of key management

Key management includes NSX Silver's Directors, the President and the Chief Executive Officer and Chief Financial Officer. Compensation awarded to key management is summarized as follows:

	Nine months ended September 30, 2013 $	Nine months ended September 30, 2012 $
Cash compensation and other benefits	31,000	37,000
Stock-based compensation	30,223	187,192
	61,223	226,192

Cash compensation and other benefits are included in consulting fees in the statement of loss.

9 Share capital

a) Authorized capital stock

Unlimited number of common shares, without nominal or par value
Unlimited number of preferred shares, without nominal or par value, issuable in one or more series

Common shares issued and fully paid	# of shares	Amount $
Shares issued for cash	1,000	100
Balance – December 31, 2011	1,000	100
Shares issued to NSGold (note 4)	45,428,571	5,526,399
Shares issued pursuant to resource property option agreement	250,000	62,500
Balance – December 31, 2012	45,679,571	5,588,999
Shares issued pursuant to resource property option agreement	250,000	11,250
Balance – September 30, 2013	45,929,571	5,600,249

(expressed in Canadian dollars)

9 Share Capital (continued)

b) As at September 30, 2013, there are 6,094,374 (December 31, 2012 - 10,157,289) common shares subject to escrow agreements.

c) Options

The Company has adopted a stock option plan for directors, officers, employees and consultants of the Company. During the quarter ended June 30, 2013, the Board of Directors approved an increase, in the maximum number of shares that may be issued under the stock option plan, from 3 million to 4 million shares. The exercise price of the stock options is determined by the Board of Directors when the options are granted, but cannot be less than the closing price of the Company's shares on the TSX Venture Exchange on the business day immediately preceding the day on which the option is granted. The maximum exercise period of the stock options is ten years.

During the year ended December 31, 2012, the Company granted 1,390,000 stock options with an exercise price of $0.25. These options vest immediately and expire in ten years. The fair value of these options was estimated using the Black-Scholes pricing model based on a volatility of 130%, risk-free rate of 2% and expected lives of 3 years with no dividend yield. This valuation resulted in total stock-based compensation for the year ended December 31, 2012 of $261,000 of which $71,000 was capitalized to mineral properties and $190,000 was expensed.

During the quarter ended June 30, 2013, the Company granted 1,220,000 stock options with an exercise price of $0.10. These options vest immediately and expire in ten years. The fair value of these options was estimated using the Black-Scholes pricing model based on a volatility of 160%, risk-free rate of 1.4% and expected lives of 5 years with no dividend yield. This valuation resulted in total stock-based compensation for the quarter ended June 30, 2013 of $49,000 of which $11,000 was capitalized to mineral properties and $38,000 was expensed.

The following table summarizes the changes in the Company's stock options:

	Weighted average exercise price $	Number of options	Weighted average remaining life (years)	Expiry date
Balance – December 31, 2011	–	–	–	
Granted during the year	0.25	1,390,000	8.50	March 15, 2022
Balance – December 31, 2012		1,390,000		
Granted during the period	0.10	1,220,000	9.65	June 6, 2023
Balance – September 30, 2013	0.18	2,610,000	9.04	

(expressed in Canadian dollars)

9 Share capital (continued)

d) Contributed surplus

	September 30, 2013 $	December 31, 2012 $
Balance – Beginning of year	261,000	–
Stock-based compensation	49,000	261,000
Balance – End of period	310,000	261,000

10 Income taxes

At December 31, 2012, the Company's effective income tax rate differs from the amount that would be computed from applying the federal and provincial statutory rate of 31% to the pre-tax loss for the period. The reasons for the difference are as follows:

	Nine months ended September 30, 2013 $	Year ended December 31, 2012 $
Loss before income taxes	265,649	517,274
Income tax recovery based on statutory rates	82,000	160,000
Non-deductible stock-based compensation	(12,000)	(59,000)
Unrecognized deferred tax assets	(70,000)	(101,000)
Provision for income taxes	–	–

Losses

The Company has Canadian non-capital tax losses of approximately $226,000 available for carry-forward to reduce future years' taxable income. These non-capital tax losses expire in 2032. The Company also has Mexican non-capital tax losses of approximately $120,000 available for carry forward to reduce future years taxable income that expire in 2022. No deferred tax asset has been recognized for these losses as it is not probable that the related deferred tax asset will be realized.

11 Related party transactions

The Company acquired the shares of Compañía Minera Oso Blanco SA de CV from its former parent company, NSGold. The Company also entered a share subscription agreement with NSGold and NSGold distributed these shares of the Company by way of dividend to the shareholders of NS Gold (see note 4).

During the three quarters ended September 30, 2013, the Company incurred legal fees aggregating $7,285 (three quarters ended September 30, 2012 - $73,216) from a law firm of which one of the officers is a partner. During the year ended December 31, 2012, the Company incurred legal fees aggregating $79,872 with this firm of which $72,439 was recorded to deferred share issue costs and $7,432 to professional fee expense.

(expressed in Canadian dollars)

12 Supplemental cash flow information

During the period ended September 30, 2013, the Company incurred expenditures on resource properties of $41,000 (September 30, 2012 - $50,000) which were recorded as accounts payable at the end of the quarter. The Company also recorded the issuance of shares pursuant to the acquisition of a resources property in the amount of $11,250 (quarters ended September 30, 2012 - $62,500). In the first quarter of 2012 the Company recorded the issuance of shares pursuant to the acquisition of a resource property in the amount of $1,167,500. These items are non-cash transactions and have been excluded from the statements of cash flows.

13 Financial instruments

Credit risk

The Company manages credit risk by holding its cash with high quality financial institutions in Canada, where management believes the risk of loss to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Company does not have sufficient working capital to carry out all budgeted programs in 2013 and must finance during 2013 to avoid disruption in planned expenditures (see note 1).

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has no interest-bearing debt and is not exposed to any significant interest rate risk.

b) Foreign currency risk

The Company operates in Mexico, giving rise to foreign currency risk. To limit the Company's exposure to this risk, cash is primarily held with high quality financial institutions in Canada. In the future, based on the timing of the Company's exploration programs, foreign currencies may be purchased in advance of expenditures to lock in favourable rates in line with the Company's budgets, otherwise the Company does not use any form of hedging against fluctuations in foreign exchange.

(expressed in Canadian dollars)

13 Financial instruments (continued)

b) Foreign currency risk (continued)

As at September 30, 2013, the Company held the following financial instruments in foreign currencies:

	September 30, 2013		December 31, 2012	
	US$	Pesos	US$	Pesos
Cash	–	12,886	1,373	21,673
Value added tax recoverable	–	127,000	–	222,547
Prepaid and deposits	–	1,900	–	19,587
Accounts payable and accrued liabilities	–	17,655	–	21,595

At September 30, 2013, sensitivity to a plus or minus 10% change in the Mexican Pesos exchange rate would affect net loss and comprehensive loss by approximately $12,000.

c) Price risk

The Company is not exposed to any direct price risk other than that associated with commodities and how fluctuations impact companies in the mineral exploration and mining industries as the Company has no significant revenues.