NSX SILVER INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED SEPTEMBER 30, 2013

Background

This Management's Discussion and Analysis (MD&A) of NSX Silver Inc. (NSX Silver or the Company) is dated November 27, 2013 and provides an analysis of the financial operating results for the quarter ended September 30, 2013. This MD&A should be read in conjunction with the unaudited financial statements and accompanying notes for the quarter ended September 30, 2013 which have been prepared in accordance with International Financial Reporting Standards (IFRS) for financial statements. This MD&A should also be read in conjunction with the audited annual financial statements and accompanying notes for the year ended December 31, 2012. All amounts are in Canadian dollars unless otherwise specified. The financial statements and additional information, including news releases and technical reports referenced herein, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under the Company's profile. The common shares of NSX Silver are traded on the TSX Venture Exchange under the symbol "NSY". More extensive information on NSX Silver can be found on its website at www.nsxsilver.com.

Forward-Looking Information

Certain statements in this MD&A are forward-looking statements or information (collectively- forward-looking statements). NSX Silver is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, NSX Silver has assumed that the current market for silver will continue and grow and that the risks listed below will not adversely impact the business of NSX Silver.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of NSX Silver, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; title to properties; local resident concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; management inexperience in developing mines; conflicts of interest of management; uninsurable risks; exposure to potential litigation; dividends; and other factors beyond the control of NSX Silver.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, NSX Silver undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of NSX Silver or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risk and Uncertainties".

Company Overview

NSX Silver Inc. was incorporated on August 9, 2011 under the Canada Business Corporations Act as a wholly-owned subsidiary of NSGold Corporation (NSGold). The registered office of the Company is 1055 West Hastings Street, Suite 2200, Vancouver, B.C.

NSGold, the former parent company of NSX Silver, is a mineral exploration company actively exploring for gold and base metals in Nova Scotia, Canada. In April 2011, NSGold signed an agreement whereby it secured the option to acquire a 100% ownership interest in the three mining concessions comprising the Dios Padre Property, including the historic Dios Padre Silver Mine, located in Sonora State, Mexico. In July 2011, NSGold announced that it commenced the process to separate its Nova Scotia gold and base metal assets and its Mexican silver assets into two separate public companies so that NSGold could devote itself solely to exploration for gold and other metals. NSX Silver was incorporated in August 2011 as a wholly-owned subsidiary of NSGold, with the intention of taking over NSGold's exploration properties in Mexico.

On August 5, 2011, NSGold completed a private placement of 8,627,451 common shares at a price of $0.51 per share, for gross proceeds of $4.4 million. Sprott Asset Management LP, acting on behalf of certain Sprott funds and managed accounts, subscribed for the 8,627,451 common shares issued in the private placement, representing 19.9% of the common shares of NSGold issued and outstanding after the placement. The net proceeds from this financing were allocated to funding the activities of NSX Silver and working capital.

On October 21, 2011, NSX Silver and NSGold, as promoter, filed a preliminary prospectus with the securities commissions of each of the provinces of Canada in connection with a distribution of NSX Silver common shares to the shareholders of NSGold. A special meeting of shareholders of NSGold was held on December 22, 2011, at which the shareholders approved a special resolution reducing NSGold's paid-up capital in connection with the "spin-out" of the shares of NSX Silver to the shareholders of NSGold. The reduction of NSGold's paid-up capital is intended to result in the distribution of the shares of NSX Silver being treated as non-taxable for most of NSGold's shareholders.

On March 1, 2012, NSX Silver obtained a receipt from the securities commissions of each of the provinces of Canada for a final prospectus dated February 28, 2012. The prospectus qualified shares of NSX Silver to be distributed by NSGold to its shareholders by way of distribution in kind.

In March 2012, NSX Silver completed the acquisition from NSGold of all of the shares of Compania Minera Oso Blanco SA de CV (CMOB) for which NSGold received one million common shares of NSX Silver. Also in March 2012, NSGold completed a share subscription agreement whereby NSGold acquired 44,428,571 common shares of NSX Silver for gross proceeds of $4,665,000. Upon closing of the transaction, the amounts due to NSGold by each of NSX Silver for reorganization costs and CMOB for Dios Padre exploration costs were repaid and the net amount disbursed by NSGold was $3,474,063. Contemporaneously the Dios Padre Option Agreement, complete with all its rights and obligations, was assigned to NSX Silver.

NSGold then completed the distribution of the common shares of NSX Silver to the NSGold shareholders whereby the shareholders received one share of NSX Silver for each share of NSGold held on the record date of March 16, 2012. A total of 43,553,767 shares of NSX Silver were distributed with the distribution, effected by way of a distribution of paid up capital.

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

During the third quarter of 2013, the Company completed a strategic review of its Mexican exploration property portfolio, taking into consideration the exploration results generated to date and an evaluation of the risk-reward profile associated with undertaking further exploration for each of its mining concessions. As a result of this review, the directors of NSX Silver determined that the Company's future exploration efforts would be best positioned by focusing on its three wholly-owned mining concessions (Oso Blanco, Oso Blanco 2 and Piedras del Norte) comprising approximately 6,000 hectares and located in Sonora State. The work completed on these concessions to date has identified several mineralized zones which NSX Silver's technical consultants consider to have excellent potential for further discoveries.

With respect to the Dios Padre Property, comprised of the Dios Padre, Dos Carlos and Alajandro mining concessions totaling 285 hectares, while the 2012 and 2013 drill campaigns generated multiple high grade silver intercepts, it has not as yet delivered the makings of an economic deposit and accordingly NSX Silver has informed the property owner that it is terminating the option agreement. As a result, the Company has recorded a write-down on its Dios Padre resource property in the amount of $4.6 million.

On October CMOB announced that it had acquired two new mining concessions (Guisa 1 and Guisa 2) totaling 856 hectares by way of application to the Mexican government. These concessions are located in the central portion of Sonora State. The Company's personnel continue to evaluate numerous acquisition opportunities in Senora and elsewhere in Mexico. Additional acquisitions will be announced as and when completed.

Resource Properties – Oso Blanco Project

During 2011, NSX Silver holds a 100% interest in three contiguous mining concessions (Oso Blanco, Oso Blanco 2 and Piedras del Norte) comprising approximately 5,600 hectares of prospective ground located in Sonora State, Mexico. Collectively these concessions are referred to as the Oso Blanco Property. Geological mapping and geochemical sampling has identified several anomalous zones. Sampling has returned impressive precious and base metals values with the highest precious metal values being 2,030 gpt silver and 9.4 gpt gold. None of the mineralized showings have yet been drill tested.

The Oso Blanco Property is situated approximately midway between the cities of Hermosillo and Chihuahua in the Sierra Madre Occidental ("SMO") in a cretaceous volcanic suite, which is regionally denoted as the "Lower Volcanic Sequence". These rocks are overlain and completely covered to the East by a tertiary sequence of rhyolite tuffs and basalts regionally known as the "Upper Volcanic Sequence". The interface between these sequences, and in particular the upper parts of the Lower Volcanic Sequence, is the host environment for several significant gold and silver districts including the nearby Sahuaripa, Mulatos, Dolores and Ocampo Districts and further south the El Sauzal discovery. The geologic setting of these deposits varies but they all occur at or within this highly prospective interface.

During July 2012 NSX Silver initiated a geochemical sampling survey over a large portion of these three concessions. In particular, the Company was attracted to the previously unexplored Huerigo Zone on the Oso Blanco II concession by alteration in surface rocks that is similar to the Dios Padre Project. The Huerigo area comprises 8 km^2 of highly prospective ground in the western portion of the Oso Blanco II concession and is located approximately 5 kilometers west-southwest of the Company's Dios Padre Silver Project. A total of five highly prospective areas (i.e. anomalous zones) have been identified in the Huerigo area. Silver values up to 545 grams per tonne were returned from the rock chip samples in this area and four large poly-metallic anomalies were also discovered.

In December 2012, the Company completed its Phase 2 geochemical survey conducted on the Oso Blanco II concession. The survey covered the Huerigo Zone and other silver-lead-copper anomalies discovered during the Phase I geochemical survey. The Phase 2 program successfully delineated the Huerigo Zone in detail and confirmed the internal consistency and intensity of the silver anomaly.

The Phase 2 program covered 800 hectares of the Oso Blanco II concession and was designed to increase sample density and provide detailed information regarding the size, shape, and intensity of the anomalies. A total of 941 rock chip surface samples were taken during the two programs. In known anomalous zones rock chip samples were taken on a 50 meter grid with 25 meter sample spacing and at any changes in lithology or alteration. Previously unexplored ground was sampled on a 100 meter grid with 50 meter sample spacing and at any change in lithology or alteration.

Anomalous zones were defined by elevated silver-lead-copper assay values supported by multi-element assay values that exceed the statistical background populations. Background levels for silver, lead, and copper are 1.3, 18, and 20 ppm respectively. The main Huerigo metal anomaly occurs as an arcuate 900X300 meter multi-point silver anomaly, supported by coincident anomalous lead and copper values. Silver values range from background to a maximum of 545 grams per tonne, with lead values reaching 2.05% and copper reaching 2.1% Of the total 941 samples tested, an impressive 302 samples (32%) contained anomalous silver, copper, and lead.

The Phase 2 program also identified additional silver-lead-copper anomalies on the concession. Certain of these zones were evaluated by trenching, geologic mapping, and detailed geochemical sampling.

In May 2013, the Company announced its initial results from its ongoing detailed mapping and sampling program on the **Santa Rosalita Zone** located on the Oso Blanco concession and the **La Prieta Zone** located on the Piedras del Norte concession. In June, 2013, the Company reported results from its ongoing geochemical sampling and mapping program on the Huerigo area. These efforts focussed on two zones; the **Los Tajos Zone** to the south and the **Chipahuiri Zone** to the north. These zones are located approximately 5 kilometers apart and both have had only limited exploration conducted in the past.

Highlight results from these recent exploration programs are outlined in the following sections.

Santa Rosalita Zone

The Santa Rosalita Zone is a newly discovered mineralized zone located immediately north of the town of Santa Rosa. Mineralization in this zone occurs in a shear zone of indeterminate size that is obscured by heavy overburden in an area with difficult access due to dense vegetation. Significant values obtained during initial sampling in this zone include the following:

Sample #	Gold (gpt)	Silver (gpt)	Copper (%)	Lead (%)	Zinc (%)
170410	0.01	**2,030**	0.31%	1.26%	0.14%
170409	0.01	93	0.24%	0.48%	0.69%

This zone appears to be in close proximity to a large quartz monzonite intrusive body that lies to the south-southwest. The significance of this is that quartz monzonite is a primary host for a number of porphyry copper deposits in western Canada, the United States, and Mexico. Many of these type of deposits are known to have high grade precious metal occurrences on or near their peripheries. Considerable work remains to be done to confirm the potential for porphyry copper mineralization at or near the Santa Rosalita Zone.

La Prieta Zone

La Prieta is a strong shear zone with veins containing silver and it is one of the more prominent silver occurrences located near Santa Rosalita. This mineralized zone is located on the Piedras del Norte concession. The vein system at La Prieta was previously mined during the early 1900's and a substantial dual compartment inclined shaft has been found. Investigation of rocks on the dump resulted in identification of diorite and quartz diorite intrusive rock waste material, which likely represents the wall rocks of the vein system. Numerous fragments of vein material disclosed argentite, freiburgite, chalcopyrite, pyrite, barite and calcite in a brecciated quartz vein host. The presence of these mineralized examples in the dump suggests that mine production concentrated on high grades, similar to the early mining at Dios Padre.

At the La Prieta Zone Company personnel have identified a 700 meter long narrow shear zone, approximately 0.5 to 1.2 meters in width that hosted the old La Prieta polymetallic mine (copper, lead, zinc, gold, and silver). Significant gold and silver values from recent sampling at this zone include the following:

Sample #	Gold (gpt)	Silver (gpt)	Copper (%)	Lead (%)	Zinc (%)
170834	**2.39**	**352**	0.07%	0.13%	0.02%
170591	1.35	**236**	0.01%	0.05%	0.03%
170804	0.02	185	0.03%	0.14%	0.03%
170714	**2.12**	184	0.01%	0.12%	0.01%
170849	**4.03**	148	0.06%	0.06%	0.05%
170546	**2.98**	143	0.21%	0.15%	0.20%
170577	**2.94**	134	0.18%	0.14%	0.07%
170860	1.42	104	0.17%	0.11%	0.35%
170594	1.97	73	0.06%	0.13%	0.17%
170858	**2.03**	52	0.00%	0.60%	0.41%
170707	**3.03**	49	0.01%	0.08%	0.03%
170712	**9.42**	29	0.01%	0.04%	0.00%

Testing and trenching along this zone indicates that high values of silver and gold occur along much of its length. Of the 41 samples taken along the strike of the shear, 31samples (76%) exceeded the assigned background silver value of 5 grams per tonne. Anomalous assays along the length of the zone range from trace to a high value of 352 grams per tonne silver and from trace to a high value of 9.4 grams per tonne gold. Of note is the fact that most of the higher grade silver samples also returned significant gold values.

A second shear zone has been identified from aerial photographs which trends northwest and which intercepts the La Prieta shear at the point where the highest gold sample (9.42 gram per tonne) was obtained. Most of this structure is under the cover of overburden and will require considerable trenching to expose and properly evaluate its mineral potential. Significant values obtained from scattered and sparse outcrops are encouraging and are detailed in the following table:

Sample #	Gold (gpt)	Silver (gpt)	Copper (%)	Lead (%)	Zinc (%)
170750	0.01	83	0.00%	0.04%	0.01%
170746	0.01	75	0.00%	0.05%	0.01%
170759	0.52	75	0.00%	0.02%	0.01%
170749	0.02	70	0.00%	0.02%	0.01%
170782	**2.34**	39	0.11%	0.05%	0.18%

At least two other anomalous zones have been identified approximately 500 meters south of and parallel to the northwest trending mineralized zone. The area between these zones is covered by dense foliage and overburden. These two newly discovered zones occur in rock types similar to the other shear zones. Significant samples taken from available outcrops include the following:

Sample #	Gold (gpt)	Silver (gpt)	Copper (%)	Lead (%)	Zinc (%)
170770 (Zone A)	**3.73**	**233**	0.00%	0.04%	0.01%
170795 (Zone B)	0.60	80	0.01%	0.03%	0.01%
170796 (Zone B)	0.25	56	0.21%	0.60%	0.41%

Los Tajos Zone

The current extent of the Los Tajos Zone as defined by geochemical sampling is 200 meters by 200 meters. The recent sampling program completed at Los Tajos was comprised of continuous chip sampling taken from 12 hand dug trenches each 2 meters in length, 1 meter wide and 1 meter deep into bedrock. These trenches were relatively broadly spaced and designed to provide a better understanding of the geology and mineralization in an area covered by dense vegetation and overburden.

The results of the trench sampling program are detailed in the following table.

LOS TAJOS ZONE – TRENCH RESULTS						
Trench Sample	**Interval (meters)**	**Gold (ppm)**	**Silver (ppm)**	**Copper (ppm)**	**Lead (ppm)**	**Zinc (ppm)**
170689	2.0	0.093	72.7	217	**3,410**	77
170690	2.0	0.020	69.7	151	**3,800**	61
170692	2.0	0.069	**141.0**	69	1,510	31
170695	2.0	0.767	76.4	80	**3,330**	70
170696	2.0	**3.410**	**95.6**	22	676	11
170697	2.0	0.023	40.5	56	850	19
170698	2.0	0.174	**189.0**	72	1,335	26
170699	2.0	0.237	**107.0**	38	1,150	19

Chipahuiri Zone

At the Chipahuiri Zone, work focused on an area containing numerous mine workings in a zone of highly altered intrusive rocks. Six continuous rock chip channel samples on 2 meter intervals over a width of 14 meters each were taken in an altered diorite that intrudes a granodiorite mass. All six channel samples returned anomalous precious and base metal assay results of interest as detailed in the table below. Previous samples taken exposed bedrock in the wall of a creek bed 30 meters below the old mine adit yielded results ranging from 6.7 grams per tonne to 24 grams per tonne silver, confirming the presence of anomalous mineralization. Recently acquired data combined with previous assay information suggests the mineralized zone measures approximately 30 meters by 40 meters.

CHIPAHUIRI ZONE – CHANNEL RESULTS						
Channel Sample	**Interval (meters)**	**Gold (ppm)**	**Silver (ppm)**	**Copper (ppm)**	**Lead (ppm)**	**Zinc (ppm)**
170927	14.0	0.284	**190.0**	3,080	15,850	3,900
170928	14.0	0.219	76.4	113	1,230	90
170930	14.0	0.113	75.2	360	1,640	1,015
170933	14.0	0.112	33.0	99	5,870	859
325141	14.0	0.011	24.3	394	1,025	3,340
325167	14.0	0.347	33.5	796	5,640	2,030

Geological Setting

Both the Los Tajos and Chipahuiri zones occur in altered diorite. All of the mineralization encountered to date is either disseminated or occurs in small veinlets of sulfides within the diorite. No structural controls have been identified based on the limited geology seen to date. The intrusive rocks in these zones are believed to be part of the lower volcanic sequence of the eastern Sierra Madre gold belt which hosts a number of precious metals deposits, including two multi-million ounce gold deposits which occur approximately 50 kilometers north of the Huerigo area; Mulatos Mine (Alamos Gold) and La India Mine (Agnico Eagle). The diorite occurs along a 5 kilometer long northwest trend that cuts across the Huerigo area. Geochemical sampling results have identified anomalous silver, supported by multi-element anomalies, in several locations between Chipahuiri to the northwest and Los Tajos to the southeast and across the axis of this formation. The anomalous mineralized zones strike perpendicular to the northwest trend for as much as one kilometer or more.

Close examination of samples from test pits and trenches at Los Tajos and Chipahuiri suggests that mineralization identified to date is broadly disseminated. The association of potentially disseminated mineralization in altered intrusive rock suggests that one or more bulk-mineable mineral targets might be developed. Accordingly the Company will focus its exploration efforts in the Huerigo area with more test pits and trenching in selective areas to define potential mineralized zones and to delineate drill targets.

Other Anomalous Zones

Results from the 2012 geochemical sampling program carried out on the Oso Blanco II concession identified three other anomalous zones of interest. As with the Los Tajos and Chipahuiri zones, these three other zones were defined by elevated silver-lead-copper assay values supported by anomalous multi-element assay values that exceed the statistical background populations. These zones represent priority exploration targets for the Company and additional geochemical sampling is planned for later this year.

Ongoing Exploration Program

Additional mapping and sampling and testing of these zones are underway to determine their relationship, if any, to the known mineralized systems.

NSX Silver management and exploration personnel are highly encouraged by the discovery of potentially significant mineral targets at these zones and associated subsidiary zones. The association of strong silver and gold anomalies in previously mined and newly found zones peripheral to an altered quartz monzonite intrusive is considered to be a very exciting development. The Company intends to continue the systematic exploration of its sizeable land position and is optimistic of this work returning further positive results.

Resource Properties – Guisa 1 and Guisa 2

In October 2013, the Company press released that it had acquired by request to the Mexican government two mining concessions covering a total of 856 hectares located in the Municipality of Tecoripa, State of Sonora, Mexico. The mining concessions, designated Guisa 1 and Guisa 2, are contiguous, and are located approximately 140 kilometers east of the capital city of Hermosillo.

The Guisa concessions are situated on the eastern flank of the porphyry copper system that hosts the Cerro Verde Copper project and a number of other porphyry deposits. Porphyry copper deposits may host gold and silver deposits on their margins. Three of ten grab samples taken on the Guisa concessions during CMOB's initial prospecting phase returned values of significance as detailed below.

Sample #	Gold (gpt)	Silver (gpt)
325765	0.216	31.0
325766	0.351	80.2
325767	0.100	22.8

Mineralization occurs over a wide area and is not limited to distinct veins but is found in stringers in the host andesites (volcanic rocks). Most of the Guisa concessions are covered by these volcanics which the Company considers to be a more favourable target than the adjacent granites. The Guisa concessions have not been mapped in any detail and will be subject to a Phase 1 work program incorporating a systematic geochemical survey as well as geologic mapping.

Qualified Person

John E. Hiner, Licensed Geologist and Registered Member of SME, a qualified person as defined by National Instrument 43-101, has reviewed and approved the information provided in this Management and Analysis for the quarter ended September 30, 2013.

Selected Financial Information

NSX Silver's consolidated net loss for the three quarters ended September 30, 2013 was $4,830,653 or $0.106 per share as compared to a loss of $405,921 or $0.017 per share in the three quarters ended September 30, 2012. NSX Silver's consolidated net loss for the quarter ended September 30, 2013 was $4,638,716 or $0.101 per share as compared to a loss of $81,667 or $0.002 per share in the quarter ended September 30, 2012. In early September 2013, the Company informed the property owner that it was terminating its option agreement of the Dios Padre property. As a result, the Company recorded a write-down of its Dios Padre resource property in the amount of $4,565,004 or $0.10 per share. The following table contains selected financial information for the quarters from August 9, 2011, the date of incorporation, to September 30, 2013:

	Qtr Ended Sept 30, 2013 $	Qtr Ended June 30, 2013 $	Qtr Ended Mar 31, 2013 $	Qtr Ended Dec 31, 2012 $	Qtr Ended Sept 30, 2012 $	Qtr Ended Jun 30, 2012 $	Qtr Ended Mar 31, 2012 $	Aug 9 2011 to Dec 31, 2011 $
Operating expenses								
Consulting fees	**17,935**	21,038	27,175	27,813	**28,087**	23,413	24,950	-
Insurance	**7,584**	5,000	5,001	1,792	**4,667**	5,375	3,088	-
Professional fees	**-**	12,231	538	19,600	**1,510**	15,251	3,257	18,280
Professional dues	**-**	1,000	5,300	472	**740**	5,125	-	-
Stock-based compensation	**-**	38,000	-	-	**-**	-	190,000	-
Travel	**-**	-	1,470	1,131	**1,057**	9,094	2,780	-
Wages and benefits	**17,890**	19,328	17,202	18,430	**17,083**	13,302	4,468	-
Investor communications	**11,752**	3,000	26,748	20,000	**7,500**	2,500	-	
Property investigation	**5,288**	-	-	3,369	**-**	-	-	-
Foreign exchange loss (gain)	**1,000**	10,000	(18,000)	-	**-**	-	-	-
Other	**12,630**	19,837	14,668	20,833	**22,926**	19,865	5,080	-
Write-down of resource property	**4,565,004**	-	-	-	**-**	-	-	-
Total operating expenses	**4,639,083**	**129,434**	**98,102**	**113,440**	**83,570**	**93,925**	**233,623**	**18,280**
Interest income	**(367)**	(5,410)	(8,531)	(2,087)	**(1,903)**	(3,294)	-	-
Net loss for the period	**4,638,716**	124,024	89,571	111,353	**81,667**	90,631	233,623	18,280
Weighted average outstanding shares	**45,783,207**	45,740,011	45,679,571	45,679,571	**45,649,571**	45,492,758	8,487,656	1,000
Basic and diluted net loss per share	**$0.101**	**$0.003**	**$0.002**	**$0.002**	**$0.002**	**$0.002**	**$0.028**	**$18.28**

During the second quarter of 2013, management of NSX Silver recently completed a comprehensive review of its operating budget and has enacted a number of measures to reduce costs including the implementation of a 40% reduction in contract administration and geological services. The only compensation received by Mr. Van Hoof, President and CEO of the Company, continues to be an annual salary of $1. The following paragraphs include a chronology of quarterly operating expenditures.

In the first quarter of 2012, the Company completed its corporate restructuring to acquire NSGold's interest in the Dios Padre project and the Company's Mexican activities commenced in the first quarter of 2012. The first quarter results include three months of corporate activity and approximately one month of Mexican administrative activities. The following quarters include three months for each of the corporate and Mexican activities. The second full quarter also includes professional fees of $15,251 and travel costs of $9,094, most of which relates to the annual meeting, filing costs and some Mexican travel. In the fourth quarter of 2012 the professional fees include the costs of the annual audit. In the second quarter of 2013 the professional fees include legal fees of $6,750 and legal disbursements, including annual filing fees, of 5,300.

The Company engaged an investor communication service in June of 2012 incurring one month's service in the second quarter and three month's service in the final two quarters of 2012. Commencing in the fourth quarter of 2012 the Company has also retained Venture Liquidity Providers to initiate market making services to provide an orderly trading market for the common shares of the Company. This service has continued until the end of the first quarter in 2013. In the first quarter of 2013 the Company has also engaged Vantage Communications Ltd. (Vantage) and Dig Media Inc. (Dig) to assist the Company with investor communications. These amounts were prepaid and the balance of Vantage service expensed in the third quarter of 2013. In the first three quarters, the Company expensed $3,000 per quarter with Dig.

In the final quarter of 2012 and the third quarter of 2013, the Company has incurred $3,369 and $5,288 respectively of property investigation expenses. NSX Silver personnel continue to evaluate numerous acquisition opportunities within Senora State and elsewhere in Mexico.

In the first quarter of 2013, the Company recorded a foreign currency gain of $18,000 which relates to the outstanding Mexican value added tax. With the strengthening of the Mexican peso during the quarter the Company experienced a gain on the conversion to Canadian dollars. During the second and third quarters of 2013, the Mexican peso weakened causing the Company to record a foreign exchange loss of $10,000 and $1,000 respectively.

In the first quarter of 2012, the Company issued 1,390,000 stock options which are recorded in the accounts at fair value as estimated using the Black-Scholes pricing model. This valuation resulted in total stock-based compensation of $261,000 of which $71,000 was capitalized to resource properties and $190,000 was expensed. In the second quarter of 2013, the Company issued 1,220,000 stock options recording total stock based compensation of $49,000 of which $11,000 was capitalized to resource properties and $38,000 was expensed.

Liquidity and Capital Resources

As at September 30, 2013, the Company had net working capital of $248,053. It is expected that the Company's current working capital will be sufficient to fund a scaled-back exploration program and general and administrative expenses throughout the remainder of 2013.

The following table contains selected financial information as at September 30, 2013 and December 31, 2012 is summarized as follows:

	As at September 30, 2013 $	**As at December 31, 2012 $**
Total current assets	328,571	1,698,221
Resource properties and capital assets	268,594	3,666,844
Total assets	624,560	5,401,960
Total liabilities	80,518	87,515
Shareholder equity	544,042	5,314,445

The Company finances its operations through the issuance of equity securities. The Company is dependent on raising additional funding through the issuance of equity securities in order to fund future exploration programs and to meet its ongoing general and administrative requirements and while management has been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in the future.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

In the first quarter of 2012, the Company transacted with NSGold, the Company's former parent company, to distribute common shares of the Company by way of dividend to the shareholders of NS Gold. The Company also acquired the shares of CMOB from NSGold. As part of the transaction the rights and obligations of the Dios Padre Option Agreement were also assigned to the Company.

During the period ended September 30, 2013, the Company incurred legal fees aggregating $7,285 (period 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 law firm. The Company recorded $72,439 to deferred share issue costs and $7,432 to professional fee expense.

Outstanding Share Data

As at December 31, 2011, the Company had only its initial share capital of 1,000 common shares issued and outstanding. In March of 2012, the Company issued 1,000,000 common shares on its acquisition of CMOB from NSGold and also issued 44,428,571 common shares to NSGold for gross subscription proceeds of $4,665,000 million. The shares were distributed to the NSGold shareholders whereby the shareholders received one share of NSX Silver for each share of NSGold held at the record date of March 16, 2012. In each of June 2012 and June 2013, the Company issued 250,000 common shares associated with its Dios Padre Property option agreement. As at September 30, 2013 and November 27, 2013, the Company has 45,929,571 shares issued and outstanding.

In March 2012, the Company granted 990,000 options to three directors and officers and 400,000 options to employees and consultants. These stock options have an exercise price of $0.25 per share and an expiry date in March 2022. In June 2013, the Company granted 750,000 options to three directors and 470,000 options to employees and consultants. These options have an exercise price of $0.10 and an expiry date in June 2023. As at September 30, 2013 and November 27, 2013 the Company had 2,610,000 options outstanding with a weighted average exercise price of $0.18, which represents 6% of the issued and outstanding common shares.

Accounting Standards issued but not yet applied

The Company does not expect to early adopt the following revised standards and amendments. Accordingly, the Company expects to adopt these standards as set forth below.

i. IFRS 9, Financial Instruments

IFRS 9, *Financial Instruments*, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income.

Retrospective application of this standard is effective for fiscal years beginning on or after January 1, 2015, with early adoption permitted. The Company has not elected for early adoption of this standard and does not expect there to be any financial impact upon adoption.

ii. IFRS 10, Consolidated Financial Statements

IFRS 10, *Consolidated Financial Statements*, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, *Consolidation—Special Purpose Entities* and parts of IAS 27, Consolidated and Separate Financial Statements.

Prospective application of this standard is effective for fiscal years beginning on or after January 1, 2013. The Company does not expect there to be any financial impact upon adoption.

iii. IFRS 13, Fair Value Measurement

IFRS 13, *Fair Value Measurement*, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

Prospective application of this standard is effective for fiscal years beginning on or after January 1, 2013. The Company does not expect there to be any financial impact upon adoption.

iv. IAS 1, Presentation of Financial Statements

IAS 1, *Presentation of Financial Statements*, has been amended to require entities to separate items presented in Other Comprehensive Income ("OCI") into two groups, based on whether or not items may be recycled in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.

The amendment is effective for annual periods beginning on or after July 1, 2012. The Company does not expect there to be any financial impact upon adoption.

v. IAS 32, Offsetting Financial Assets and Financial Liabilities

IAS 32, *Offsetting Financial Assets and Financial Liabilities*, was issued in December 2011 and amends the criterion for an entity being allowed to report financial assets and liabilities on a net basis. Retrospective application of this standard is effective for fiscal years beginning on or after January 1, 2014, with early adoption permitted. The Company does not anticipate early adoption of this standard and does not expect there to be any financial impact upon adoption.

Risks and Uncertainties

The following are certain factors relating to the business of the Company. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

The following is a description of certain risks and uncertainties that may affect the business of the Company.

i. Limited Operating History

The Company is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company was incorporated August 9, 2011 and has yet to generate a profit from its activities. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

ii. Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

iii. Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

iv. Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

v. Regulatory Requirements

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

vi. Financing Risks and Dilution to Shareholders

The Company has limited financial resources, no operations and no revenues. If the Company's exploration program on its exploration properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

vii. Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its exploration properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that NSX Silver does not have title to its exploration properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

viii. Requirement for Permits and Licenses

A substantial number of permits and licenses may be required should the Company proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Company will be able to obtain all such licenses and permits.

ix. Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

x. Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

xi. No Mineral Reserves

Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

xii. Environmental Risks

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

xiii. Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to Mexican approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

xiv. Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of the Dios Padre property could be subject to resistance from local residents that could either prevent or delay exploration and development of the property.

xv. Management Inexperience in Developing Mines

The management of the Company has some experience in exploring for minerals, but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine. Without adequate training or experience in these areas, management may not be fully aware of many of the specific requirements related to working within the mining industry and their decisions and choices may not take into account all available and necessary engineering or managerial approaches that experienced mine operating companies commonly use to successfully develop a mine. Consequently, the Company's operations, earnings and ultimate financial success could be materially adversely effected.

xvi. Conflicts of Interest

Certain of the directors and officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The Canada Business Corporations Act (CBCA) provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the Company, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the CBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the CBCA.

xvii. Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares. The Company does not intend to maintain insurance against environmental risks.

xviii. Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

xix. Dividends

To date, NSX Silver has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Company will be made by its board of directors on the basis of the Company's earnings, financial requirements and other conditions.

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

Dated: November 27, 2013