

# **NSX Silver Inc.**

Unaudited Interim Condensed  
Financial Statements  
(expressed in Canadian dollars)

**March 31, 2017**

May 30, 2017

## **Management's Report**

The accompanying unaudited interim condensed financial statements of **NSX Silver Inc.** are the responsibility of management and have been approved by the Board of Directors. The unaudited interim condensed financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited interim condensed 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 unaudited interim condensed financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited interim condensed financial statements, and recommended their approval by the Board of Directors.

These 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 Interim Statements of Financial Position

As at March 31, 2017 and December 31, 2016

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(expressed in Canadian dollars)

	March 31, 2017 \$	December 31, 2016 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	40,011	133,046
Sales tax recoverable	31,872	24,866
Deposits and prepaids	25,000	25,364
	<hr/>	<hr/>
	96,883	183,276
	<hr/>	<hr/>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 6)	229,273	206,707
Amount due to shareholders (note 7)	59,676	59,676
	<hr/>	<hr/>
	288,949	266,383
<b>Equity</b> (note 9)	<hr/>	<hr/>
	(192,066)	(83,107)
	<hr/>	<hr/>
	96,883	183,276
	<hr/>	<hr/>

### Nature of operations and going concern (note 1)

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

### Approved by the Board of Directors

(signed) "Johannes H.C. Van Hoof", Director

(signed) "Glenn Holmes", Director

## NSX Silver Inc.

### Unaudited Interim Condensed Statements of Changes in Equity For the periods ended March 31, 2017 and 2016

(expressed in Canadian dollars)

	Share capital \$ (note 9)	Warrants \$ (note 9)	Contributed surplus \$ (note 9)	Deficit \$	Total \$
<b>Balance – December 31, 2015</b>	5,600,249	–	310,000	(5,999,230)	(88,981)
Net loss and comprehensive loss for the period	–	–	–	(4,176)	(4,176)
<b>Balance – March 31, 2016</b>	<u>5,600,249</u>	<u>–</u>	<u>310,000</u>	<u>(6,003,406)</u>	<u>(93,157)</u>
<b>Balance – December 31, 2016</b>	5,869,221	25,000	310,000	(6,287,328)	(83,107)
Net loss and comprehensive loss for the period	–	–	–	(108,959)	(108,959)
<b>Balance – March 31, 2017</b>	<u>5,869,221</u>	<u>25,000</u>	<u>310,000</u>	<u>(6,396,287)</u>	<u>(192,066)</u>

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

## NSX Silver Inc.

### Unaudited Interim Condensed Statements of Loss and Comprehensive Loss For the periods ended March 31, 2017 and 2016

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(expressed in Canadian dollars)

	2017 \$	2016 \$
<b>Operating expenses</b>		
Consulting fees	86,907	–
Filing and other fees	1,777	665
Insurance	1,506	1,188
Other	892	1,073
Professional fees	12,612	665
Travel	5,265	–
	<hr/>	<hr/>
<b>Net loss and comprehensive loss for the years</b>	<b>(108,959)</b>	<b>(4,176)</b>
	<hr/>	<hr/>
<b>Loss per share - basic and diluted</b>	<b>(\$0.01)</b>	<b>(\$0.001)</b>
	<hr/>	<hr/>
<b>Weighted average outstanding common shares – basic and diluted</b>	<b>9,592,949</b>	<b>4,592,957</b>
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The accompanying notes are an integral part of these unaudited condensed interim financial statements.

# NSX Silver Inc.

## Unaudited Interim Condensed Statements of Cash Flows For the periods ended March 31, 2017 and 2016

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(expressed in Canadian dollars)

	2017 \$	2016 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss and comprehensive loss for the periods	(108,959)	(4,176)
Net changes in non-cash working capital balances related to operations		
Decrease (increase) in sales tax recoverable	(7,006)	(977)
Decrease (increase) in deposits and prepaid expenses	364	–
Increase (decrease) in accounts payable and accrued liabilities	22,566	3,272
	<hr/>	<hr/>
<b>Net change in cash and cash equivalents for the periods</b>	(93,035)	(1,881)
<b>Cash and cash equivalents – Beginning of periods</b>	<hr/> 133,046	<hr/> 1,918
<b>Cash and cash equivalents – End of periods</b>	<hr/> 40,011	<hr/> 37

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

# **NSX Silver Inc.**

## **Notes to Unaudited Interim Condensed Financial Statements For the periods ended March 31, 2017 and 2016**

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(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. As a result of the Company's disposition of the shares of its Mexican subsidiary company, Compania Minera Oso Blanco SA de CV during 2015 (see note 4), the Company no longer met the minimum listing requirements of the TSX Venture Exchange. As a result, the listing of the Company's common shares was transferred to the NEX, a separate board of the TSX Venture Exchange, effective February 8, 2016.

On October 11, 2016, the Company entered into a share purchase agreement to acquire all of the issued and outstanding shares of Residence Cameron Ltd. ("Transaction"). Completion of the Transaction would constitute a change of business in accordance with TSX Venture Exchange ("TSXV" or the "Exchange") Policy 5.2., *Changes of Business and Reverse Take-overs*, as the Company's current business is exploration for minerals. The Transaction would see the Company engage in the ownership and management of multi-unit residential real estate. As a result, the Transaction is subject to Exchange acceptance and the approval of the shareholders of NSX Silver.

Subsequent to March 31, 2017, the Company announced that it terminated the Transaction and that it is pursuing the acquisition of another multi-unit residential property, however, management cautions there can be no assurance that an acquisition transaction will be entered into or consummated.

#### **Going concern**

These unaudited condensed interim financial statements as at March 31, 2017 and March 31, 2016 have been prepared on the basis of International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. There are material uncertainties that may cast significant doubt about the appropriateness of the going concern assumption, as the Company has an accumulated deficit of \$6.4 million and has no operations at this time which will generate revenue.

The ability of the Company to continue as a going concern, and to realize its assets and discharge its liabilities when due, is dependent upon its ability to secure sufficient financing to fund ongoing operations and its general and administrative costs. The Company is in the process of attempting to source additional financing to meet the Company's cash requirements and to recommence operating activities. Management cannot provide assurance that the Company will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital.

# NSX Silver Inc.

## Notes to Unaudited Interim Condensed Financial Statements For the periods ended March 31, 2017 and 2016

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(expressed in Canadian dollars)

### 2 Basis of presentation

#### Statement of compliance

The Company prepares its unaudited condensed interim financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, has been omitted or condensed. These financial statements should be read in conjunction with the Company’s annual audited financial statements for the year-ended December 31, 2016.

These financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Company’s results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year.

The Board of Directors approved these financial statements for issue on May 30, 2017.

#### Basis of measurement

These unaudited interim condensed financial statements have been prepared under the historical cost basis.

#### 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.

### 3 Significant accounting policies

These financial statements have been prepared using the same accounting policies and methods of computation as the annual financial statements of the Company for the year ended December 31, 2016. Refer to note 3 – Significant Accounting Policies, of the Company’s annual consolidated financial statements for the year ended December 31, 2016 for information on accounting policies, as well as, new accounting standards not yet effective.

### 4 Accounts payable and accrued liabilities

	March 31, 2017	December 31, 2016
	\$	\$
Accounts payable	204,273	186,707
Accrued liabilities	25,000	20,000
	<u>229,273</u>	<u>206,707</u>

# NSX Silver Inc.

## Notes to Unaudited Interim Condensed Financial Statements For the periods ended March 31, 2017 and 2016

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(expressed in Canadian dollars)

### 5 Amount due to shareholders

The amount due to shareholders is comprised of cash advances which are non-interest bearing, unsecured and are payable upon demand.

### 6 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

	# of shares	Amount \$
<b>Common shares issued and fully paid</b>		
<b>Balance – December 31, 2015 and March 31, 2016</b>	4,592,957	5,600,249
Shares issued for cash, net of issue costs	4,999,992	268,972
<b>Balance – December 31, 2016 and March 31, 2017</b>	<u>9,592,949</u>	<u>5,869,221</u>

#### b) Private placement

On August 16, 2016, the Company completed a non-brokered private placement raising gross proceeds of \$300,000 through the issuance of 4,999,992 units at a price of \$0.06 per unit. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company for \$0.12 for a period of 12 months from the closing date. The capital stock value of the 4,999,992 shares issued is net of the warrant valuation of \$25,000 and share issue costs of \$6,028.

#### c) Options

The Company adopted a stock option plan for directors, officers, employees and consultants of the Company in 2011. During the year ended December 31, 2013, the Board of Directors approved an increase, in the maximum number of shares that may be issued under the stock option plan, from 300,000 to 400,000 shares. During the quarter ended March 31, 2017, the Board of Directors approved an increase, in the maximum number of shares that may be issued under the stock option plan, from 400,000 to 1,000,000. 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 periods ended March 31, 2017 and March 31, 2016, the Company did not grant any stock options. At March 31, 2017 and March 31, 2016, the Company did not have any stock options granted and outstanding.

# NSX Silver Inc.

## Notes to Unaudited Interim Condensed Financial Statements For the periods ended March 31, 2017 and 2016

(expressed in Canadian dollars)

### 6 Share capital (continued)

#### d) Warrants

The following table summarizes the changes in the Company's warrants for the periods ended March 31, 2017 and 2016:

	Expiry date	Exercise price \$	Number	Ascribed value \$
<b>Balance – December 31, 2015 and March 31, 2016</b>			–	–
Warrants issued pursuant to August 2016 private placement financing	August 16, 2017	0.12	4,999,992	25,000
<b>Balance – December 31, 2016 and March 31, 2017</b>			<u>4,999,992</u>	<u>25,000</u>

The fair value of warrants issued pursuant to the August 2016 private placement financing of \$25,000 has been estimated at the issue date using the residual method of valuation.

#### e) Contributed surplus

	March 31, 2017 \$	December 31, 2016 \$
<b>Balance – Beginning and end of periods</b>	<u>310,000</u>	<u>310,000</u>

### 7 Related party transactions

During the period ended March 31, 2017, the Company incurred legal fees aggregating \$nil (three months ended March 31, 2016 - \$425) from a law firm of which one of the officers is a partner.

### 8 Financial instruments and other

#### 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 must secure financing during 2017 to avoid disruption in planned expenditures (see note 1).

# **NSX Silver Inc.**

## **Notes to Unaudited Interim Condensed Financial Statements For the periods ended March 31, 2017 and 2016**

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(expressed in Canadian dollars)

### **8 Financial instruments and other** (continued)

#### **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.

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

### **9 Subsequent event**

Subsequent to March 31, 2017, the Company announced that it terminated the acquisition transaction relating to the shares of Residence Cameron Ltd. and that it is pursuing the acquisition of another venture, however, management cautions there can be no assurance that an acquisition transaction will be entered into or consummated.