

**Norseman Silver Inc.**  
**(Formerly, Norseman Capital Ltd.)**  
**Management's Discussion and Analysis**  
For the period ended December 31, 2020 and 2019

---

**Effective Date**

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial results of Norseman Silver Inc. (Formerly, Norseman Capital Ltd.) (the "Company") for the three-month periods ended December 31, 2020 and December 31, 2019. It should be read in conjunction with the Company's audited annual consolidated financial statements for year ended September 30, 2020 and 2019 and related notes thereto. Amounts are reported in Canadian dollars based upon the condensed interim financial statements prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board). Additional information can be found on SEDAR, [www.sedar.com](http://www.sedar.com).

All monetary amounts in this MD&A and in the Company's interim condensed consolidated financial statements are expressed in Canadian dollars, unless otherwise stated.

The effective date of this MD&A is February 26, 2021.

**Forward Looking Information**

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from actual future results and achievements expressed or implied by such forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. Readers are also advised to consider such forward-looking statements while considering the risks set forth below.

**Caution Regarding Forward Looking Statements**

Except for statements of historical fact relating to the Company, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Company's properties; the future price of gold; success of exploration activities; cost and timing of future exploration and development; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; requirements for additional capital; and other statements relating to the financial and business prospects of the Company.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases. Forward-looking information may also be identified in statements where certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on the reasonable assumptions, estimates, analysis, and opinions of management made in light of its experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made.

**Norseman Silver Inc.**  
**(Formerly, Norseman Capital Ltd.)**  
**Management's Discussion and Analysis**  
For the period ended December 31, 2020 and 2019

---

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to:

- The Company's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic resources.
- Management's economic outlook regarding future trends.
- The Company's ability to meet its working capital needs at the current level in the short term.
- Expectations with respect to raising capital; and
- Governmental regulation and environmental liability.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, other factors could also cause materially different results. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

### **Critical Accounting Policies and Estimates**

The Company's significant accounting policies can be read in Note 3 to the Company's annual audited consolidated financial statements as at and for the year ended September 30, 2020.

### **Description of Business and Overall Performance**

The Company was incorporated on September 25, 1985 under the laws of British Columbia, Canada and is a junior natural resource company. The common shares of the Company are listed on the TSXV under the symbol NOC.H.

On August 20, 2020, the Company completed its reactivation from the NEX board of the TSX Venture Exchange ("TSXV") to Tier 2 of the TSXV and the trading of the Company's common shares commenced on the TSXV under the trading symbol "NOC" on August 24, 2020.

The address of the Company's registered office and principal place of business is the 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1B3.

The Company is an exploration stage company with no revenues from mineral producing operations. Activities include acquiring mineral exploration properties and conducting exploration programs. The mineral exploration business is considered risky and most exploration projects will not result in producing mines. The Company may offer an opportunity to other mining companies to acquire an interest in a property in return for funding all or part of the exploration and development of a particular property. For the funding of property acquisitions and exploration that the company conducts, the Company depends on the issuance of shares from the treasury to investors. These stock issuances depend on a number of factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

### **Activities**

**Norseman Silver Inc.**  
**(Formerly, Norseman Capital Ltd.)**  
**Management’s Discussion and Analysis**  
For the period ended December 31, 2020 and 2019

---

Most of the costs incurred have been incurred in reorganising the capital of the Company, arranging the financing, and examining acquisitions of mining resources.

During the period ended December 31, 2020, Norseman Silver sought opportunities to acquire mineral exploration properties and conduct exploration programs.

|                                   |  | Caribou         | Silver<br>Switchback | Silver Vista    | New Moon        | Total<br>Exploration<br>and<br>Evaluation<br>Assets |
|-----------------------------------|--|-----------------|----------------------|-----------------|-----------------|---|
| <b>Balance September 30, 2019</b> |  | \$ -            | \$ -                 | \$ -            | \$ -            | \$ -  |
| Option payments - cash            |  | 10,000          | 30,000               | 20,000          | -               | \$60,000  |
| Option payments - shares          |  | 50,000          | 139,500              | -               | -               | \$189,500   |
| Exploration expenditures          |  | 3,000           | 65,320               | 5,000           | -               | \$73,320  |
| <b>Balance September 30, 2020</b> |  | <b>\$63,000</b> | <b>\$234,820</b>     | <b>\$25,000</b> | -               | <b>\$322,820</b>                                    |
| Exploration expenditures          |  | -               | 28,965               | 3,110           | 10,000          | \$42,074  |
| <b>Balance December 31, 2020</b>  |  | <b>\$63,000</b> | <b>\$263,785</b>     | <b>\$28,110</b> | <b>\$10,000</b> | <b>\$364,895</b>                                    |

Caribou Property

On June 3, 2020, the Company entered into an option agreement with Cloudbreak Discovery Corp. (“Cloudbreak”), a company with a common officer, to acquire a 100% interest in certain mining claims located in the Skeena Mining Division area in British Columbia, known as the Caribou Property.

Pursuant to the Option Agreement, in order to fully exercise the option (the “Option”), the Company shall pay to Cloudbreak an aggregate of \$80,000 (\$10,000 paid) and issue 2,750,000 (1,000,000 issued) common shares of the Company in three installments.

In addition, pursuant to the option agreement, the Company granted to Cloudbreak a 2.0% net smelter return (“NSR”) royalty. The Company has the right to acquire one-half of the NSR (1.0%) from Cloudbreak at a price of \$1,000,000 at any time prior to the commencement of commercial production. If the Company purchases the first half of the NSR, the Company shall have the right to acquire the remaining half of the NSR (1.0%) at price of \$4,000,000, for an aggregate of \$5,000,000.

Silver Switchback Property

On August 27, 2020, the Company entered into an option agreement with Cloudbreak to acquire a 100% interest in an underlying option agreement between Cloudbreak and 1975647 Alberta Ltd (“197

**Norseman Silver Inc.**  
**(Formerly, Norseman Capital Ltd.)**  
**Management's Discussion and Analysis**  
For the period ended December 31, 2020 and 2019

---

Alberta"). The underlying option agreement provides the Company with the option to acquire a 100% in certain mining claims located in British Columbia, known as the Silver Switchback Property.

Pursuant to the option agreement, in order to fully exercise the option (the "Option"), the Company shall:

- (i) pay to Cloudbreak an aggregate of \$30,000 (paid) and issue 750,000 (380,000 issued) common shares of the Company in installments;
- (ii) pay to 197 Alberta an aggregate of \$60,000 and issue 1,850,000 (250,000 issued) common shares of the Company in installments; and
- (iii) incur aggregate exploration expenditures of \$475,000 (\$28,965 incurred) on the Silver Switchback Property prior to May 8, 2023.

In addition, pursuant to the option agreement, the Company granted to Cloudbreak a 1.0% NSR royalty. The Company shall have the right to acquire one-half (0.5%) of the NSR from Cloudbreak at a price of \$500,000 at any time prior to commencement of commercial production. The Silver Switchback Property is also subject to a 2.0% NSR royalty pursuant to the underlying option agreement.

#### Silver Vista Property

On September 21, 2020, the Company entered into an option agreement with Cloudbreak to acquire a 100% interest in an underlying option agreement between Cloudbreak and 197 Alberta. The underlying option agreement provides the Company with the option to acquire a 100% in certain mining claims located in British Columbia, known as the Silver Vista Property.

Pursuant to the Option Agreement, in order to fully exercise the option (the "Option"), the Company shall:

- (i) pay to Cloudbreak an aggregate of \$50,000 (\$20,000 paid in September 2020 and the remaining \$30,000 paid in February 2021) and issue 2,000,000 (issued in February 2021) common shares of the Company in installments;
- (ii) pay to 197 Alberta an aggregate of \$45,000 and issue 1,000,000 common shares of the Company in installments; and
- (iii) incur aggregate exploration expenditures of \$275,000 (\$3,110 incurred) on the Silver Vista Property prior to May 8, 2023.

In addition, pursuant to the option agreement, the Company granted to Cloudbreak a 1.0% NSR royalty. The Company shall have the right to acquire one-half (0.5%) of the NSR from Cloudbreak at a price of \$500,000 at any time prior to commencement of commercial production. The Silver Vista Property is also subject to a 2.0% NSR royalty pursuant to the underlying option agreement.

#### New Moon Property

On December 9, 2020, the Company entered into an asset purchase agreement (the "Agreement") with Cabox Gold Corp. ("Cabox"), 1269270 BC Ltd. ("9270 BC"), 1236686 BC Ltd. ("6686 BC") and Samuel Hardy to acquire certain mining claims located in British Columbia, known as the New Moon Claims.

**Norseman Silver Inc.**  
**(Formerly, Norseman Capital Ltd.)**  
**Management's Discussion and Analysis**  
For the period ended December 31, 2020 and 2019

---

In consideration for the acquisition of the New Moon Claims, the Company shall:

- (i) Pay \$10,000 (paid) to Cabox on the effective date of the Agreement;
- (ii) Issue 2,500,000 (issued January 2021) common shares of the Company to Cabox on the closing date of the Agreement;
- (iii) Issue 600,000 (issued January 2021) common shares of the Company to 9270 BC on the closing date of the Agreement; and
- (iv) Issue 1,500,000 (issued January 2021) common shares of the Company to 6686 BC on the closing date of the Agreement.

The common shares issued pursuant to the Agreement shall be subject to a hold period of four months and on day from the date of issuance.

In addition, pursuant to the Agreement, the Company shall grant to Cabox a 2.0% NSR royalty. The Company shall retain the right to purchase at any time from Cabox one half of the NSR (1.0%) for \$1,000,000. In addition, if the Company acquires any mineral rights within five kilometres from the external boundary of the New Moon Claims, such mineral rights will be subject to the NSR on the same terms as the NSR.

#### **Financing Activities during period ended December 30, 2020**

The company announced a non-brokered private placement which was closed in January 2021.

The private placement was for gross proceeds of \$1,750,000, composed of 7,000,000 units, at a price of \$0.25 per unit. Each unit is composed of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.30 per common share and expires twenty-four months from the date of issuance.

#### **Results of Operations**

##### ***For the period ended December 31, 2020 and 2019***

During the period ended December 31, 2020, the Company incurred a net loss of \$196,123 as compared to a net loss of \$93,360 for the same period in 2019, an increase in net loss by \$102,763. The increase was attributed to general and administrative expenses including the following:

- Audit, accounting, and legal fees were \$41,328 (2019 - \$20,924);
- Consulting fees were \$81,000 (2019 - \$39,500);
- Insurance fees were \$15,500 (2019 - \$Nil);
- Stock-based compensation was \$25,625 (2019 - \$Nil);

**Norseman Silver Inc.**  
**(Formerly, Norseman Capital Ltd.)**  
**Management's Discussion and Analysis**  
For the period ended December 31, 2020 and 2019

---

**Summary of Quarterly Results**

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

| Quarter Ended                  | Dec 31    | Sept 30   | Jun 30   | Mar 31    | Dec 31   | Sept 30 | Jun 30  | Mar 31   |
|--------------------------------|-----------|-----------|----------|-----------|----------|---------|---------|----------|
| Year                           | 2020      | 2020      | 2020     | 2020      | 2019     | 2019    | 2019    | 2019     |
|                                | \$        | \$        | \$       | \$        | \$       | \$      | \$      | \$       |
| Interest Income                | 1         | -         | 4        | 2         | -        | -       | -       | -        |
| Net Loss                       | (196,123) | (222,336) | (42,692) | (154,173) | (93,051) | 144,963 | (6,461) | (28,889) |
| Basic & Diluted Loss per share | (0.00)    | (0.00)    | (0.00)   | (0.00)    | (0.01)   | (0.00)  | (0.00)  | (0.00)   |

Significant variances in the Company's reported loss from quarter to quarter arise from professional fees, legal and regulatory filing fees which occur as a result of the private placements and shares for debt transaction that took place during December 2019 and the private placements that took place in August 2020.

**Liquidity and Capital Resources**

At December 31, 2020, the Company had net working capital deficit of \$9,641 as compared to net working capital surplus of \$177,932 at September 30, 2020. The Company had cash on hand of \$100,817 as compared to \$353,719 as at September 30, 2020.

The Company has financed its operations through equity issuances. Although the Company has been successful in raising funds in the past, there can be no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities. The Company is dependent upon the equity markets to finance all of its activities and it is anticipated that it will continue to rely on this source of funding for its exploration expenditures and to meet its ongoing working capital requirements.

On December 14, 2020 the Company announced a non-brokered private placement that closed subsequent to period end on January 14, 2021. The non-brokered private placement was a financing for gross proceeds of \$1,750,000, composed of 7,000,000 units, at a price of \$0.25 per unit. Each unit is composed of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.30 per common share and expires twenty-four months from the date of issuance.

**Norseman Silver Inc.**  
**(Formerly, Norseman Capital Ltd.)**  
**Management’s Discussion and Analysis**  
For the period ended December 31, 2020 and 2019

---

On August 19, 2020, the Company closed its previously announced non-brokered private placement financing (the “**Initial Offering**”) of common shares (“**Shares**”). The Initial Offering consisted of the sale of 3,000,000 Shares at a price of \$0.05 per Share for aggregate gross proceeds of \$150,000.

The Company also closed its previously announced non-brokered private placement financing (the “**Second Offering**”) of units (“**Units**”). The Second Offering consisted of the sale of 2,000,000 Units at a price of \$0.15 per Unit for aggregate gross proceeds of \$300,000. Each Unit is composed of one common share (“**Share**”) and one-half of one Share purchase warrant (“**Warrant**”). Each whole Warrant shall entitle the holder to purchase one Share at a price of CAD\$0.25 per Share for a period of twenty-four months from the date of issuance.

On December 27, 2019, the Company closed its previously announced non-brokered private placement financing of common shares. The placement consisted of the sale of 1,000,000 Shares at a price of \$0.05 per share for aggregate gross proceeds of \$50,000.

On December 17, 2019, the Company closed its previously announced non-brokered private placement financing of common shares. The placement consisted of the sale of 7,000,000 Shares at a price of \$0.05 per Share for aggregate gross proceeds of \$350,000.

All securities issued and issuable pursuant to the Transaction, the Initial Offering, and the Second Offering will be subject to a four month and one-day statutory hold period.

**Off-Balance Sheet Arrangement**

The Company has no long-term debt, does not have any used lines of credit or other arrangements in place to borrow funds, and has no off-balance sheet arrangements. The Company has no current plans to use debt financing and does not use hedges or other derivatives.

**Related Party Transactions**

The following is a summary of related party transactions that occurred during the period ended December 31, 2020 and 2019 and amounts in accounts payable and accrued liabilities:

|  | <b>For the three<br/>months ended<br/>December 31, 2020</b> | <b>For the three<br/>months ended<br/>December 31, 2019</b> | <b>Amount payable at<br/>December 31, 2020</b> | <b>Amount payable at<br/>September 30,<br/>2020</b> |
|--|---|---|--|---|
| Consulting Fees - Directors & Officers | 81,000  | 26,750  | 64,411   | 4,161   |
| Professional Fees - Officer            | 22,500  | -   | 50   | 80,345  |
| Stock based compensation - Officer     | 25,625  | -   | -  | -   |

Pursuant to a Loan Agreement dated March 28, 2018 between the Company (“the Borrower”) and Mosman Oil and Gas Limited (“the Lender”), a related company will provide an advance up to \$100,000 in Canadian dollars to the Borrower which bears interest at 5% per annum, payable on the last day of each month with a repayment date of December 31, 2018. An establishment fee of \$10,000 in Canadian dollars will be charged and repaid on December 31, 2018. As at September 30, 2019, the advance under the loan was \$100,000 CAD. During the three months ended December 30, 2019, the loan was paid through shares issued for debt.

**Norseman Silver Inc.**  
**(Formerly, Norseman Capital Ltd.)**  
**Management's Discussion and Analysis**  
For the period ended December 31, 2020 and 2019

---

Pursuant to a Loan Agreement dated April 24, 2018, the Company (the "Borrower") and Clariden Capital Pty Ltd. (the "Lender"), a related company founded by the new director, will provide an advance of up to \$50,000 in Canadian dollars to the Borrower which bears interest at 5% per annum payable on the last day of each month with a repayment date of December 31, 2018. An establishment fee of \$10,000 in Canadian dollars will be charged and repaid on December 31, 2018. As at September 30, 2019, the advance under the loan was \$50,000 CAD. During the three months ended December 30, 2019, the loan was paid through shares issued for debt.

A group of individuals (the "Lenders") executed loan agreements dated January 11, 2019 with the Company for an aggregate of \$50,000 AUD of which \$12,500 AUD was advanced by an individual related to a certain director and \$12,500 AUD was advanced by Clariden Capital Pty Ltd. The loan agreements have identical terms and are repayable in full on December 31, 2019. Interest is payable by the Company to the Lender on the Principal Sum at 5% per annum. As at September 30, 2019, the loan payable was \$25,000 AUD (CAD: \$23,236). During the three months ended December 30, 2019, the loan was paid through shares issued for debt.

During the September 30, 2019 year end, the Company had written off \$237,392 in disputed payables belonging to the former CEO, former president (and companies related to them), and former directors and related expenses incurred by them. The \$237,392 relate to accounting fees, consulting fees, rent, and travel expenses charged to the Company which were not authorized by the new Board of Directors. Management has no intention to pay the aforementioned expenses and; therefore, the amounts have been written off.

The above transactions with related parties, occurring in the normal course of operations, were measured at the fair value, are unsecured with no specific terms of repayment and are non-interest bearing; unless, otherwise stated.

### **Subsequent events**

#### **Private Placement**

On January 14, 2021, the Company completed a non-brokered private placement financing for gross proceeds of \$1,750,000, composed of 7,000,000 units, at a price of \$0.25 per unit. Each unit is composed of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.30 per common share and expires twenty-four months from the date of issuance.

#### **Options Issued**

On February 9, 2021, the Company granted 3,075,000 stock options to purchase common shares of the company at a price of \$0.375 per share for a period of 5 years to certain consultants, directors, and officers of the company.

### **Management's Responsibility for the Financial Statements**

Information provided in this MD&A, including financial information extracted from the Financial Statements, is the responsibility of management. In the preparation of the Financial Statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities.



**Norseman Silver Inc.**  
**(Formerly, Norseman Capital Ltd.)**  
**Management's Discussion and Analysis**  
For the period ended December 31, 2020 and 2019

---

Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements.

**Outstanding Share Data**

As at the date of this MD&A, the Company had the following securities issued and outstanding:

- (1) Common shares – 39,301,554
- (2) Share purchase warrants – 8,000,000
- (3) Stock options – 3,500,000

**Norseman Silver Inc.**  
**(Formerly, Norseman Capital Ltd.)**  
**Management's Discussion and Analysis**  
For the period ended December 31, 2020 and 2019

---

**Additional Information**

Additional information pertaining to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website [www.norsemansilver.com](http://www.norsemansilver.com).

**Directors and Officers**

Sean Hurd – CFO and Director  
J. Campbell Smyth – Director  
John Seaman – Director  
Kyler Hardy - Director  
David Robinson – CFO

Mr Smyth is a resident of Australia.