

**Norseman Silver Inc.**  
**(Formerly, Norseman Capital Ltd.)**  
**Management's Discussion and Analysis**  
For the period ended December 31, 2021 and 2020

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**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 period ending December 31, 2021, and December 31, 2020. It should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended September 30, 2021, and 2020 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 24, 2022.

**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; the 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.

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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, 2021.

### **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 Suite 520 - 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2.

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.

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**Activities**

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

During the period ended December 31, 2021, Norseman Silver sought opportunities to acquire mineral exploration properties and conduct exploration programs.

	<b>Caribou</b>	<b>Silver Switchback</b>	<b>Silver Vista</b>	<b>New Moon</b>	<b>Taquetren</b>	<b>Total</b>
<b>Balance September 30, 2020</b>	63,000	234,820	25,000	-	-	<b>322,820</b>
Option Payments - Cash	20,000	-	30,000	10,000	50,344	<b>110,344</b>
Option Payments - Shares	240,000	129,200	950,000	1,380,000	64,000	<b>2,763,200</b>
Exploration expenditures	259,021	92,912	529,787	-	-	<b>881,720</b>
<b>Balance September 30, 2021</b>	<b>582,021</b>	<b>456,932</b>	<b>1,534,787</b>	<b>1,390,000</b>	<b>114,344</b>	<b>4,078,084</b>
Exploration expenditures	12,931	-	30,020	-	87,186	<b>130,136</b>
<b>Balance December 31, 2021</b>	<b>594,952</b>	<b>456,932</b>	<b>1,564,807</b>	<b>1,390,000</b>	<b>201,530</b>	<b>4,208,221</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 (\$30,000 paid) and issue 2,750,000 (1,750,000 issued) common shares of the Company in three instalments.

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 a 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 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 (750,000 issued) common shares of the Company in instalments;

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- (ii) pay to 197 Alberta an aggregate of \$60,000 and issue 1,850,000 (250,000 issued) common shares of the Company in instalments; and
- (iii) incur aggregate exploration expenditures of \$475,000 (\$158,232 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 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 instalments;
- (ii) pay to 197 Alberta an aggregate of \$45,000 and issue 1,000,000 common shares of the Company in instalments; and
- (iii) incur aggregate exploration expenditures of \$275,000 (\$564,807 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.

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

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- (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 one 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.

#### Taquetren Property

On May 4, 2021, the company entered into an option agreement to acquire a 100% interest in the Taquetren Silver Project, located in the Navidad-Calcatrean mining district, Argentina.

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

- (i) Make payment of \$40,000 USD (paid)
- (ii) Issue 200,000 (issued in June 2021) Common Shares within seven days of signing the Definitive Agreement
- (iii) Issue 300,000 Common Shares and incur \$70,000 USD (\$70,000 USD incurred) of exploration expenditures on the Project on or before the first anniversary of the Definitive Agreement
- (iv) Issue 500,000 Common Shares and incur \$200,000 USD of additional exploration expenditures on the Project on or before the second anniversary of the Definitive Agreement;
- (v) Issue 2,000,000 Common Shares and incur an additional \$500,000 USD of exploration expenditures on the Project on or before the third anniversary of the Definitive Agreement.

In addition, pursuant to the Agreement, the Company shall grant to the Optionors a 2.0% NSR royalty. The Company shall retain the right to purchase at any time from the Optionors one-quarter of the NSR (0.5%) for \$1,000,000 USD and a second quarter of the NSR (0.5%) for \$2,000,000 USD and 5,000,000 Common Shares.

#### **Financing Activities during the quarter ended December 31, 2021**

On December 31, 2021, the Company closed a private placement whereby the company issued 1,933,334 units at a price of \$0.30 per unit for gross proceeds of \$580,000. Each unit is comprised of one flow-through common share and one-half of one common share purchase warrant. Each whole warrant entitles the subscriber to purchase one additional common share of the Company at a price of \$0.34 per share for a period of two years from the closing date. Finder's fees of \$29,680 cash and 100,333 Warrants have been paid in connection with the Private Placement to qualified parties. The Warrants issued to the finders have an exercise price of \$0.30 for a period of 2 years from the date of issuance.

During the period, no options were exercised.

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**Results of Operations**

***For the period ended December 31, 2021, and 2020***

During the period ended December 31, 2021, the Company incurred a net loss of \$286,850 as compared to a net loss of \$196,123 for the same period in 2020. The larger loss was attributed to increased business activity by the Company as it continues to acquire and develop its properties and increase market awareness:

- Marketing and promotion fees were \$49,833 (2020 - \$Nil);
- Salary and wages were \$44,388 (2020 - \$Nil)
- Regulatory and transfer agent fees were \$55,832 (2020 - \$17,516).

**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:

Three months ended	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21
Loss before non-operating items	\$ (287,113)	\$ (697,321)	\$ (418,762)	\$ (1,820,263)
Loss before income taxes	\$ (286,850)	\$ (696,943)	\$ (418,298)	\$ (1,819,657)
Loss per common share, basic and diluted	\$ (0.01)	\$ (0.02)	\$ 0.01	\$ 0.01
Net and comprehensive loss	\$ (286,850)	\$ (696,943)	\$ (418,298)	\$ (1,819,657)
Net and Comprehensive Loss per Common Share, Basic and Diluted	\$ (0.006)	\$ (0.020)	\$ 0.010	\$ 0.010

Three months ended	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20
Loss before non-operating items	\$ (196,124)	\$ (222,336)	\$ (42,696)	\$ (154,175)
Loss before income taxes	\$ (196,123)	\$ (222,336)	\$ (42,692)	\$ (154,173)
Loss per common share, basic and diluted	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Net and comprehensive loss	\$ (196,123)	\$ (222,336)	\$ (42,692)	\$ (154,173)
Net and Comprehensive Loss per Common Share, Basic and Diluted	\$ 0.010	\$ 0.010	\$ 0.010	\$ 0.010

Significant variances in the Company's reported loss from quarter to quarter arise from marketing and promotion fees, share-based payments that were recorded in the September, June and March 2021 quarters, as well as legal and regulatory filing fees which occur as a result of the private placements that took place in January, August and December of 2021.

**Liquidity and Capital Resources**

On December 31, 2021, the Company had net working capital of \$973,094 as compared to net working capital of \$885,994 on September 30, 2021. The Company had cash on hand of \$933,959 as compared to \$1,147,334 as on September 30, 2021.

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

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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 31, 2021, the Company closed a private placement whereby the company issued 1,933,334 units at a price of \$0.30 per unit for gross proceeds of \$580,000. Each unit is comprised of one flow-through common share and one-half of one common share purchase warrant. Each whole warrant entitles the subscriber to purchase one additional common share of the Company at a price of \$0.34 per share for a period of two years from the closing date. Finder's fees of \$29,680 cash and 100,333 Warrants have been paid in connection with the Private Placement to qualified parties. The Warrants issued to the finders have an exercise price of \$0.30 for a period of 2 years from the date of issuance.

On August 19, 2021, the Company closed a non-brokered private placement financing for gross proceeds of \$1,574,591 consisting of 4,771,488 units at a price of CAD\$0.33 per Unit. Each Unit consists of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one common share at a price of CAD\$0.43 per common share with a term of two years.

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.

On August 19, 2020, the Company closed its previously announced non-brokered private placement financing of common shares. The 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.

On August 19, 2020, the Company also closed a non-brokered private placement financing of units. The 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 and one-half of one Share purchase 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.

#### Options Issued

On September 3, 2021, the Company granted 700,000 stock options to purchase common shares of the company at a price of \$0.45 per share for a period of 5 years to certain consultants, directors, and employees of the company.

On June 16, 2021, the Company granted 500,000 stock options to purchase common shares of the company at a price of \$0.40 per share for a period of 5 years to certain consultants, directors, and employees of the company.

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.

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On November 18, 2020, the Company granted options to acquire a total of 125,000 common shares of the Company to an officer at the exercise price of \$0.25 per share, for a period of five years, subject to vesting requirements.

**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, 2021, and 2020 and amounts in accounts payable and accrued liabilities:

	For the period ended December 31, 2021	For the period ended December 31, 2020	Amount payable as at December 31, 2021	Amount payable as at September 30, 2021
Consulting Fees - Directors & Officers	81,821	81,000	1,680	33,250
Accounting and Management Services	30,000	22,500	8,451	26,420
Stock based compensation	-	25,625	-	-

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.

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

**Outstanding Share Data**

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

- (1) Common shares – 49,376,491
- (2) Share purchase warrants – 13,806,488
- (3) Stock options – 4,700,000



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**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 – CEO and Director  
J. Campbell Smyth – Director  
John Seaman – Director  
Kyler Hardy - Director  
David Robinson – CFO

Mr. Smyth is a resident of Australia.