

NSX Silver Provides Update on Proposed Acquisition of 41 Noel Avenue

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Bedford, Nova Scotia - [NSX Silver Inc.](#) (the "Company" or "NSX") (TSX.V: NSY.H) is pleased to provide further updates on its previously announced transaction (the "Transaction") with Village View No. 1 Limited Partnership (the "Vendor") to acquire all of the real property located at 41 Noel Avenue, Saint John, New Brunswick (the "Target Assets") for an aggregate purchase price of \$5,161,500, subject to adjustments. The Target Assets are a multi-unit residential property with the following key characteristics:

Table 1: 41 Noel Avenue

| | |
|---------------------|--------------------------|
| Units | 31 |
| Capitalization Rate | 5.9% |
| Year Built | 2014 |
| Rent | C\$950-C\$1,500 per Unit |

Change of Business Transaction

As previously announced, NSX entered into a letter of intent on July 31, 2017 to acquire the Target Assets. NSX Silver subsequently entered into an agreement of purchase and sale (the "APS") with the Vendor on August 17, 2017 with the closing thereof being conditional upon the satisfaction of a number of conditions.

On May 16, 2018, NSX entered into an amendment to the APS pursuant to which, among other things, the parties agreed to the following amendments to the APS:

- the Purchase Price increased to C\$5,161,500 (the "Purchase Price"), subject to adjustments at closing;
- the assignment of the APS to 10664316 Canada Inc., a company incorporated under the Canada Business Corporations Act and the sole subsidiary of the Company (the "Purchaser"), which entity shall be used by NSX as the acquiring entity of the Target Assets;
- the payment of the following additional deposits:
 - ￮ C\$15,000 non-refundable deposit, which deposit shall be credited towards the Purchase Price on closing;
 - ￮ C\$46,500 refundable deposit, which deposit shall be credited towards the Purchase Price on closing;
- the Purchase Price, less the C\$71,500 of deposits already paid, shall be paid by the Purchaser as follows:
 - ￮ C\$4,990,000 payable by cash from the proceeds of the Concurrent Financing (as defined below) that NSX expects to complete concurrent with, or shortly before, the closing of the Transaction and the proceeds from a first priority mortgage on the Target Assets from CIBC Mortgage Inc. in the principal amount of C\$3,300,000; and
 - ￮ 666,666 units of the Company – representing a market value of C\$100,000 (the "Vendor Take-back Financing") at a price of \$0.15 per Unit – each unit consisting of one common share of the Company (each, a "Common Share" and, collectively, the "Common Shares") and one-half of one Common Share purchase warrant (each, a "Unit"). Each full warrant (a "Warrant") shall entitle the holder thereof to acquire one Common Share of the Company for a period of 24 months from the date of issuance at a price of \$0.25 per Common Share.

In addition, as part of the Transaction, the Company has entered into three option agreements entered into between NSX and arms' length third parties with respect to the grant of an option to NSX to acquire the real property located at 50 Noel Avenue, 51 Noel Avenue and 70 Noel Avenue, collectively represented by PIDs 55221972, 55226328, 00370593, 00370601 and 0037067, and certain portions of the real property located

at 51 Noel Avenue represented by PIDs 00370320 and 55233035.

Completion of the Transaction as contemplated would constitute a “change of business” in accordance with TSX Venture Exchange (“TSXV” or the “Exchange”) Policy 5.2 – Changes of Business and Reverse Takeovers, as the Company’s current business is the exploration for minerals. The Transaction would see the Company engage in the ownership and management of a multi-unit residential real estate.

Since (i) the Transaction is an arm’s length transaction and is not a “related party transaction”, as such term is defined under the Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions, (ii) NSX is listed on the NEX without active operations; and (iii) the Company is not subject to a cease trade order, NSX is not required to obtain shareholder approval for the Transaction.

It is contemplated that the proposed Transaction would meet the criteria for a listing on the TSXV and allow the Company to reactivate from the NEX to TSXV, subject to approval of the Exchange.

Completion of the Transaction is subject to a number of conditions including, but not limited to, completion of the Concurrent Financing (as defined below) and approval by the Exchange.

The Transaction is expected to close in the coming weeks on such date as the Company and the Vendor may agree (the “Closing Date”).

Shareholder Meeting

In connection with the Transaction, NSX held its annual and special meeting of shareholders on June 28, 2018 (the “Meeting”). At the Meeting, shareholders elected current directors and conditionally elected directors effective on closing of the Transaction, and approved, among other things: (i) a change in the name of NSX to “ViveRE Communities Inc.” or such other name as the board of NSX may determine; (ii) a deferred share unit plan for the Company to take effect upon the completion of the Company’s reactivation from the NEX to the TSXV; and (iii) the Company’s incentive stock option plan.

The Concurrent Financing

Further to NSX’s news release of November 16, 2017, NSX is pleased to provide the following updates in respect of the private placement financing that the Company expects to complete concurrent with, or shortly before, the closing of the Transaction:

1. A non-brokered private placement of a two-year convertible debenture, earning interest at a rate of 12%, issued at a price of \$1,000 per debenture, for aggregate gross proceeds of C\$800,000 (the “Series A Debentures”);
2. Echelon Wealth Partners Inc. (“Echelon”) and Industrial Alliance Securities Inc. (together with Echelon, the “Agents”) have agreed to sell, on a commercially reasonable efforts private placement basis:
 - a. A minimum of 6,333,333 and a maximum of 8,000,000 subscription receipts (the “Subscription Receipts”) at a price of C\$0.15 per Subscription Receipt (the “Issue Price”), for aggregate gross proceeds of a minimum of C\$950,000 and maximum of \$1,200,000; and
 - b. A two-year convertible debenture, earning interest at a rate of 12%, issued at a price of \$1,000 per debenture, for aggregate gross proceeds of C\$500,000 (the “Series B Debentures” and together with the Series A Debentures, the “Debentures”),

(1 and 2, collectively, the “Concurrent Financing”).

The Concurrent Financing is expected to close on or before the Closing Date.

Upon the satisfaction of the Escrow Release Conditions (as defined below) on or prior to three months following the Closing Date (the “Escrow Deadline”), each Subscription Receipt shall be automatically convert, without any further action by the holder, and for no additional consideration, into one Unit.

The Debentures are convertible into units of NSX (the “Debenture Units”) at a price of \$0.15 per Debenture Unit. Each Debenture Unit is comprised of one Common Share and one Common Share purchase warrant, each such warrant entitling the holder thereof to acquire one Common Share for a period of 24 months from the date of issuance of the Debenture at a price of \$0.175 per Common Share.

100% of the proceeds of the Subscription Receipts (the “Escrowed Funds”), shall be deposited in escrow on

the Closing Date. The Escrowed Funds (less amounts payable by the Company to the Agents) shall be released from escrow by the Escrow Agent to the Company upon the completion or irrevocable waiver or satisfaction of all conditions precedent to the Transaction (together, the "Escrow Release Conditions").

In the event that the Escrow Release Conditions are not satisfied or incapable of being satisfied on or before the date which is three months following the Closing Date, the proceeds raised by the Subscription Receipts, with accrued interest earned thereon (less any applicable withholding taxes), will be returned to the subscribers and the Subscription Receipts will be cancelled.

The Company has agreed to: (i) pay the Agents a cash commission equal to 7% of the gross proceeds from the Subscription Receipts, the Series B Convertible Debentures and the Vendor Take-back Financing; and (ii) issue to the Agents such number of share purchase warrants (each, an "Agents' Warrant") as is equal to 7% of the aggregate number of (a) Subscription Receipts, (b) Units issued in connection with the Vendor Take-Back Financing and (c) the gross proceeds of the Series B Convertible Debentures divided by \$0.25, with each Agents' Warrant entitling the holder to acquire Unit at the Issue Price until the date that is 24 months from the Closing Date.

The Company will use the net proceeds of the Concurrent Financing to acquire the Target Assets and for general corporate and working capital purposes.

Directors & Officers

The following is a brief description of the names and backgrounds of the individuals who are expected to be the directors and senior officers of NSX post-Transaction:

Richard Turner – Mr. Turner currently serves on the board of a number of private and public companies, including Board Chair and Audit Committee Chair of Invesque Inc. (TSX: IVQ); Director and Audit Committee member of WesternOne Inc.(TSX:WEQ) and Director and Audit Committee Chair of Vancouver Fraser Port Authority. Mr. Turner was Board Chair of Pure Industrial REIT (TSX:AAR.UN); Director and Audit Committee Chair of the Organizing Committee of the Vancouver 2010 Olympic and Paralympic Winter Games (VANOC); Board Chair of the Insurance Corporation of BC; Board Chair of the British Columbia Lottery Corporation; Chair and Governor of the Vancouver Board of Trade; Governor of the B.C. Business Council and director, President and Chief Executive Officer of the operating subsidiary of IAT Air Cargo Facilities Income Fund, a business involved in the development and management of real estate at airports. Mr. Turner serves as the Honorary Consul for the Hashemite Kingdom of Jordan in Vancouver. In 2003, Mr. Turner received H.R.H. Queen Elizabeth's Golden Jubilee Award for public service in Canada. Mr. Turner holds a Bachelor of Commerce in Finance from the University of British Columbia and holds the ICD.D designation.

Jeffrey Dean – Mr. Jeffrey Dean is a Managing Partner at Maven Capital, an advisory and private equity firm based in Toronto. Mr. Dean has over 18 years of investment banking experience. Prior to co-founding Maven Capital in 2012, Mr. Dean was a Director at RBC Capital Markets. Mr. Dean has significant experience in real estate, mergers and acquisitions, fairness opinions and valuations, corporate governance, equity and debt financing for both public and private companies and property portfolio advisory. Over the last 18 years, Mr. Dean has advised on over \$13 billion of public M&A transactions, \$15 billion of debt and equity financings and more recently has been focused on corporate and shareholder governance. He is also a trusted advisor to a number of senior management teams and public/private boards of directors in the real estate space. Mr. Dean has a Bachelor of Commerce (High Distinction) from the University of Toronto.

Kent Farrell – Mr. Kent Farrell is a Managing Partner at Maven Capital, an advisory and private equity firm based in Toronto. Mr. Farrell has more than 20 years of experience in public and private capital markets, corporate finance and mergers and acquisitions. Prior to joining Maven Capital in 2017, Mr. Farrell served as the Head of Equity Sales for Credit Suisse Canada for five years. In that capacity, Mr. Farrell managed all aspects of the Canadian sales team effort including the onboarding of new global institutional investors, the distribution of the firm's equity research product, the coordination of corporate marketing and the selling of both primary and secondary equity offerings. Along with his tenure at Credit Suisse, he held senior roles at leading investment banks, specifically, Bank of America Merrill Lynch and Morgan Stanley. Mr. Farrell has been a large contributor to his firm's campaigns with the United Way Foundation. Mr. Farrell was formerly a Director of Mundo Inc. and is currently a director of Canaccord Genuity Acquisition Corp. He holds an MBA from the Ivey School of Business and a Bachelor of Arts from the University of Western Ontario.

Dr. Brian Ramjattan – Dr. Brian Ramjattan is the President and CEO of Miranda Management, a privately held real estate investment company specializing in identifying undervalued properties and increasing their value through lease restructuring and repurposing. He is also the President and CEO of Canadian AV Inc., one of the largest AV companies in Atlantic Canada, and a director of Work Global Canada, a national recruitment and immigration firm specializing in accessing foreign workers. Dr. Ramjattan has been a family

doctor for 27 years, and he is the President and CEO of First Line Medical Services Inc., a company that conducts clinical trials to develop pharmaceuticals. He is also a Clinical Associate Professor at Memorial University in the Discipline of Faculty Medicine.

Mr. Michael T. Anaka, ICD.D – Mr. Anaka is a Chartered Professional Accountant based in Dartmouth, Nova Scotia. He has served in a number of leadership roles during his more than 35 year tenure with PricewaterhouseCoopers LLP, including Managing Partner, Atlantic Canada and Regional Office Representative on the Canadian Leadership Group. Mike has extensive experience in the areas of financial reporting, internal controls, operating efficiencies and effectiveness and corporate finance. He has served public and private companies ranging from start-ups to multi-national enterprises. He is currently Chief Financial Officer for Nobelium Tech Corp., a capital pool corporation listed on the TSX-V, and serves on the board of directors of Oceanus Resources Corporation (TSX-V).

James Nicoll – Mr. Nicoll has been the principal of Debenti Merchant Financial Services Ltd., a private company providing management and corporate finance services to private and public companies, since 2013. He has extensive experience in capital markets and finance. He is the former CEO of Canasur Gold and Nova Georgia Properties, VP Corporate Finance, PricewaterhouseCoopers and Yorkton Securities, and has served as the Chief Executive Officer of a real estate company with a portfolio of multi-family residential properties in the United States. He was a Commissioner of the Nova Scotia Securities Commission. His career in financial services started as a stock broker with RBC Dominion Securities before joining Beacon Securities.

Glenn A. Holmes – Mr. Holmes, CPA, CA is a business executive with over 30 years experience in the financial management and administration of public exploration and mining companies. He has been extensively involved in equity financings, project debt financings, corporate acquisitions, mining feasibility studies and mine development projects. Mr. Holmes is Chief Financial Officer of Oceanus Resources Corporation and NSGold Corporation. He was previously Chief Financial Officer of Etruscan Resources and Vice President Finance of NovaGold Resources. He received a Bachelor of Commerce degree with honors from Saint Mary's University in 1988.

Shares for Debt Transaction

NSX expects to settle approximately \$740,000 of outstanding accounts payable, shareholder advances and bridge loans through the issuance of Common Shares, at a deemed issue price of \$0.12 per Common Share, conditional upon approval of Exchange (the "Shares for Debt Transaction"). The Shares for Debt Transaction is expected to close immediately prior to, or concurrently with, the closing of the Transaction.

Trading Halt

In accordance with Exchange policy, the Company's shares remain halted from trading and will remain halted until such time as determined by the Exchange, which, depending upon the policies of the Exchange, may not be until the completion of the Transaction. The Company will provide further details in respect of the Transaction in due course by way of news releases.

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of NSX Silver Inc. should be considered highly speculative. The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.

On behalf of the Board of Directors of NSX SILVER INC.

"Jamie Nicoll"
Chairman and Executive Vice President

For further information contact:

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Jamie Nicoll, Chairman and Executive Vice President
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This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

Forward-Looking Statements

This news release contains forward-looking statements relating to the timing and completion of the proposed Transaction, the Meeting and the Concurrent Financing, the acquisition of the Target Assets by NSX, the capitalization of the resulting issuer, the future operations of NSX and the resulting issuer and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the proposed Transaction, the Meeting, the Concurrent Financing, the acquisition of the Target Assets by NSX, the capitalization of the resulting issuer and the future plans and objectives of NSX and the resulting issuer, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from NSX's expectations include the failure to satisfy the conditions to completion of the Transaction set forth above and other risks detailed from time to time in the filings made by NSX with securities regulators.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of NSX. As a result, NSX cannot guarantee that the proposed Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and NSX will only update or revise publicly the included forward-looking statements as expressly required by Canadian securities law.

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