
NEVADA ZINC CORPORATION

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2021**

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Nevada Zinc Corporation (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Nevada Zinc Corporation
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at September 30, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	\$ 57,845	\$ 8,001
Marketable securities (note 5)	384	270
Amounts receivable and other assets (note 6)	27,267	5,505
	85,496	13,776
Non-current assets		
Reclamation bond	21,373	21,373
Total assets	\$ 106,869	\$ 35,149
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Amounts payable and other liabilities (notes 7 and 11)	\$ 306,856	\$ 347,045
Amounts payable to related party (note 11)	397,463	382,463
Total liabilities	704,319	729,508
Shareholders' deficiency		
Share capital (note 8)	12,692,487	11,942,487
Reserves (note 10)	667,250	1,376,811
Deficit	(13,957,187)	(14,013,657)
Total shareholders' deficiency	(597,450)	(694,359)
Total liabilities and shareholders' deficiency	\$ 106,869	\$ 35,149

Nature of operations and going concern (note 1)
Contingencies (note 15)

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

Nevada Zinc Corporation
Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Operating expenses				
Exploration, acquisition and development costs (note 13)\$	96,751	8,795	346,614	(18,110)
General and administrative (note 12)	106,886	55,527	493,540	107,104
Operating loss before the following items	(203,637)	(64,322)	(840,154)	(88,994)
Gain on settlement of debt	-	-	11,449	-
Unrealized gain on marketable securities	-	90	114	90
Net and comprehensive loss for the period	\$ (203,637)	\$ (64,232)	\$ (828,591)	\$ (88,904)
Basic and diluted loss per share (note 9)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	84,311,762	74,391,128	83,257,922	74,391,128

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

Nevada Zinc Corporation
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended	
	September 30,	
	2021	2020
Operating activities		
Net loss for the period	\$ (828,591)	\$ (88,904)
Adjustments for:		
Unrealized gain on marketable securities	(114)	(90)
Share-based payments	175,500	-
Gain on settlement of debt	(11,449)	-
Non-cash working capital items:		
Amounts receivable and other assets	(21,762)	10,282
Amounts payable and other liabilities	(28,740)	(74,599)
Amounts payable to related party	15,000	104,131
Net cash and cash equivalents used in operating activities	(700,156)	(49,180)
Financing activities		
Issue of common shares	750,000	-
Net cash and cash equivalents provided by financing activities	750,000	-
Net change in cash and cash equivalents	49,844	(49,180)
Cash and cash equivalents, beginning of period	8,001	62,028
Cash and cash equivalents, end of period	\$ 57,845	\$ 12,848
Cash and cash equivalents consist of:		
Cash	\$ 57,394	\$ 3,400
Cash equivalents	451	9,448
	\$ 57,845	\$ 12,848

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

Nevada Zinc Corporation**Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency****(Expressed in Canadian Dollars)****(Unaudited)**

	Share capital	Share-based payment reserve	Deficit	Total
Balance, December 31, 2019	\$11,942,487	\$ 1,701,831	\$(13,950,310)	\$ (305,992)
Expiry of stock options	-	(89,440)	89,440	-
Net loss for the period	-	-	(88,904)	(88,904)
Balance, September 30, 2020	\$11,942,487	\$ 1,612,391	\$(13,949,774)	\$ (394,896)
Balance, December 31, 2020	\$11,942,487	\$ 1,376,811	\$(14,013,657)	\$ (694,359)
Issuance of common shares (note 8(b)(i))	750,000	-	-	750,000
Share-based payments (note 10(i) and 11)	-	175,500	-	175,500
Expiry of stock options	-	(885,061)	885,061	-
Net loss for the period	-	-	(828,591)	(828,591)
Balance, September 30, 2021	\$12,692,487	\$ 667,250	\$(13,957,187)	\$ (597,450)

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

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2021
(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

1. Nature of operations and going concern

Nevada Zinc Corporation (the "Company" or "Nevada Zinc") was incorporated by articles of incorporation dated September 29, 2010 under the Business Corporations Act (Ontario). The Company's principal business activity is the exploration and development of its high-grade zinc carbonate-oxide deposit located near Eureka, Nevada. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol NZN. The head office of the Company is located at 82 Richmond St. East, Toronto, Ontario, M5C 1P1.

The unaudited condensed interim consolidated financial statements include the accounts of its wholly-owned subsidiary Lone Mountain Zinc Ltd.

These unaudited condensed interim consolidated financial statements of the Company were reviewed, approved and authorized for issue by the Board of Directors on November 22, 2021.

These unaudited condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Company is at development stage and as is common with many development stage companies, it raises financing for its development, exploration and acquisition activities. The Company has incurred losses in previous years, with current net loss of \$828,591 for the nine months ended September 30, 2021 and has an accumulated deficit of \$13,957,187 as at September 30, 2021 (December 31, 2020 - \$14,013,657). In addition, the Company had working capital deficiency of \$618,823 at September 30, 2021 (December 31, 2020 - \$715,732). Existing funds are not sufficient to explore potential exploration project acquisitions and in due course, further funding will be required. In the event that the Company is unable to secure further financing it may not be able to complete the development of its projects.

Due to continuing operating losses, the Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop mineral projects, if they are proven successful, and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The unaudited condensed interim consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

Commencing in March 2020, the outbreak of the novel strain of coronavirus known as "COVID19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2021
(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

2. Significant accounting policies

(a) *Statement of compliance*

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of November 22, 2021 the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2020, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

Future accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

3. Exploration and acquisition

The Company's principal property holdings are the Lone Mountain Zinc Project in Eureka County, Nevada, USA.

Nevada, United States

The Lone Mountain Zinc Project is comprised of 202 unpatented lode mining claims and one patented mining claim. The Project property holdings are held by Lone Mountain Zinc Ltd. ("Lone Mountain"), a Nevada corporation that is a wholly owned subsidiary of Nevada Zinc. 176 of Nevada Zinc's unpatented lode mining claims (the "Property") are held through a lease agreement with Owyhee Exploration II LLC ("Owyhee"), an Idaho limited liability company.

Nevada Zinc as lessee has the right to use the Property for mineral exploration, development, mining and mineral processing activities. Subject to the regulations of the State of Nevada concerning the appropriation and taking of water, Nevada Zinc has the right to appropriate and use water, to drill wells for the water on the Property and to lay and maintain all necessary water lines as may be required for operations on the Property.

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2021
(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

3. Exploration and acquisition (continued)

Nevada, United States (continued)

Under the terms of a lease agreement assigned to the Company on July 23, 2014, the Company has the right to lease the Property for twenty years, subject to a right to extend the term of the agreement for two additional terms of ten years each, and for so long after expiration of the second extension term as the Company conducts exploration for or the development and mining on the Property, unless the parties otherwise cancel, terminate or extend the lease agreement. The principal terms of the lease agreement require the Company to make annual lease payments of US\$25,000 to the lessor during the first three years of the lease agreement, US\$50,000 to the lessor during the fourth and fifth years of the agreement, and US\$100,000 to the lessor during the sixth and each succeeding year thereafter. The payments due on the first and each succeeding year are adjusted for inflation. The lease payments payable on and after the sixth year will be credited against the royalty payment obligation during the lease year for which the lease payment is made.

The Company must also make all payments to keep the Property in good standing and must carry out work programs during the first five years of the lease agreement. The work programs are comprised of a minimum of US\$50,000 per year in the first three years of the lease agreement and a minimum of US\$100,000 in years four and five of the lease agreement.

The lessor will retain a 3% net smelter returns royalty ("NSR") on precious metals production, if any, and a 2% NSR on all other minerals production, if any, from the Property. The precious metals and other minerals' NSR could be reduced to 2% and 1%, respectively, under certain circumstances.

As at September 30, 2021, the Company is in compliance with the lease agreement.

4. Cash and cash equivalents

	As at September 30, 2021	As at December 31, 2020
Cash	\$ 57,394	\$ 7,550
Money market investments	451	451
Total	\$ 57,845	\$ 8,001

Nevada Zinc Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended September 30, 2021

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

5. Marketable securities

As of September 30, 2021, the Company's publicly traded investments consisted of the following:

Public issuer	Security description	Cost	Estimated fair value
Allied Copper Corp. (formerly Gold Rush Cariboo Corp.)	1,200 common shares	\$ 40,500	\$ 384
Capha Pharmaceutical Inc.	4,704 common shares	7,200	-
		\$ 47,700	\$ 384

As of December 31, 2020, the Company's publicly traded investments consisted of the following:

Public issuer	Security description	Cost	Estimated fair value
Cava Resources Inc.	18,000 common shares	\$ 40,500	\$ 270
Capha Pharmaceutical Inc.	4,704 common shares	7,200	-
		\$ 47,700	\$ 270

The Company received these marketable securities pursuant to option agreements relating to its exploration and acquisition properties.

6. Amounts receivable and other assets

	As at September 30, 2021	As at December 31, 2020
Sales tax receivable - (Canada)	\$ 8,277	\$ 5,505
Prepaid expenses	18,990	-
	\$ 27,267	\$ 5,505

7. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to exploration and acquisition costs and general operating activities.

	As at September 30, 2021	As at December 31, 2020
Trade payables	\$ 162,011	\$ 277,529
Accrued liabilities	144,845	69,516
	\$ 306,856	\$ 347,045

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2021
(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

8. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

As at September 30, 2021, the issued share capital amounted to \$12,692,487. The change in issued share capital for the periods presented were as follows:

	Number of common shares	Amount
Balance, December 31, 2019 and September 30, 2020	74,391,128	\$ 11,942,487
Balance, December 31, 2020	74,391,128	\$ 11,942,487
Issuance of common shares for private placement (i)	9,920,634	750,000
Balance, September 30, 2021	84,311,762	\$ 12,692,487

(i) On January 29, 2021, the Company closed a non-brokered private placement for the issue of 7,142,857 common shares at a price of \$0.07 per common share and 2,777,777 common shares at a price of \$0.09 per common share for aggregate gross proceeds of \$750,000.

Certain director and officers of the Company subscribed for an aggregate of 2,480,161 common shares of the private placement for gross proceeds of \$187,500.

9. Net loss per common share

The calculation of basic loss per share for the three and nine months ended September 30, 2021 was based on the net loss attributable to common shareholders of \$203,637 and \$828,591, respectively (three and nine months ended September 30, 2020 - net loss of \$64,232 and \$88,904, respectively) and the weighted average number of common shares outstanding for the three and nine months ended September 30, 2021 of 84,311,762 and 83,257,922, respectively (three and nine months ended September 30, 2020 - 74,391,128). Diluted loss per share for the three and nine months ended September 30, 2021 did not include the effect of 5,300,000 stock options (September 30, 2020 - 5,350,000 stock options) as they are anti-dilutive.

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2021
(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

10. Stock options

The Company has established a stock option plan for directors, senior officers, employees and consultants of the Company.

The Board of Directors may designate which directors, senior officers, employees and consultants of the Company are to be granted options to acquire common shares, subject to the restriction that the aggregate number of common shares issuable upon the exercise of options granted thereunder shall not exceed 10% of the then current number of issued and outstanding common shares as at the date of the options are granted.

The directors, in compliance with the requirements of the stock exchange or exchanges on which the common shares are listed, determine the exercise price associated with any options granted under the option plan. The options will vest on the date set by the directors and expire at a time set by the directors, being not more than ten years from the date of grant, provided that any outstanding options will expire on a date to be determined by the directors following the date that the holder ceases to be a senior officer, director, employee or consultant of the Company, such period not being more that 12 months from the date of such cessation. In the event of the death of a holder, the option will remain exercisable in accordance with its terms for a period not exceeding one year from the holder's death. Options granted under the option plan will be non assignable. Outstanding options to be granted under the option plan may be adjusted in certain events, as to exercise price and number of common shares, to prevent dilution or enlargement.

The following summarizes the stock option activity for the periods ended September 30, 2021 and 2020:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2019	5,750,000	0.29
Expired/Forfeited	(400,000)	0.24
Balance, September 30, 2020	5,350,000	0.29
Balance, December 31, 2020	6,050,000	0.23
Granted (i)	1,950,000	0.12
Expired/Forfeited	(2,700,000)	0.28
Balance, September 30, 2021	5,300,000	0.17

(i) On February 22, 2021, the Company granted 1,950,000 stock options to certain officers and directors with each option exercisable into one common share of the Company at an exercise price of \$0.12 per share until February 19, 2026. A fair value of \$175,500 was determined using the Black-Scholes option pricing model. The following assumptions were used: risk-free interest rate - 0.64%; expected volatility - 102% which is based on historical volatility of the Company's share price; expected dividend yield - nil; and expected life - 5 years. These options vested immediately upon grant.

During the three and nine months ended September 30, 2021, \$nil and \$175,500 was expensed to share-based payments, respectively.

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2021
(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

10. Stock options (continued)

The following table reflects the Company's stock options outstanding and exercisable as at September 30, 2021:

Options outstanding	Grant date fair value (\$)	Exercise price (\$)	Options exercisable	Weighted average remaining contractual life (years)	Expiry date
500,000	231,000	0.49	500,000	0.30	January 18, 2022
200,000	52,400	0.35	200,000	0.72	June 19, 2022
400,000	83,600	0.23	400,000	1.03	October 11, 2022
250,000	44,750	0.20	250,000	1.45	March 15, 2023
2,000,000	80,000	0.10	2,000,000	4.19	December 8, 2025
1,950,000	175,500	0.12	1,950,000	4.39	February 19, 2026
5,300,000	667,250	0.17	5,300,000	3.40	

11. Related party transactions and major shareholders

Related party transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors.

Remuneration of key management personnel of the Company was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Salaries ⁽¹⁾	\$ 27,000	\$ 15,000	\$ 69,000	\$ 45,000
Consulting fees ⁽²⁾	45,000	-	120,000	-
Professional fees ⁽³⁾	-	-	-	(38,250)
Share based compensation ⁽⁴⁾	-	-	175,500	-
	\$ 72,000	\$ 15,000	\$ 364,500	\$ 6,750

⁽¹⁾ Salary to Donald Christie, the Chief Financial Officer of the Company.

⁽²⁾ Compensation related to Max Vichniakov in his capacity as the President and Chief Executive Officer.

⁽³⁾ Compensation related to Bruce Durham in his capacity as the Chief Executive Officer. On December 8, 2020, Bruce Durham ceased to be the Chief Executive Officer. As of September 30, 2021, Mr. Durham was owed \$42,600 (December 31, 2020 - \$53,250), and this amount was included in amounts payable and other liabilities. The amounts are non-interest bearing, unsecured with no fixed terms of repayment.

⁽⁴⁾ Represents share-based payments to officers and directors of the Company.

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2021
(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

11. Related party transactions and major shareholders (continued)

During the three and nine months ended September 30, 2021, Norvista loaned the Company \$nil and \$15,000, respectively (three and nine months ended September 30, 2020 - \$nil) for short-term cash flow purposes. As of September 30, 2021, Norvista was owed \$397,463 (December 31, 2020 - \$382,463) and this amount was presented as amounts payable to related party. The amounts are non-interest bearing, unsecured with no fixed terms of repayment.

See note 8(b)(i).

Major shareholders

To the knowledge of the directors and senior officers of the Company as at September 30, 2021, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

Major shareholder	Number of common shares	Percentage of outstanding common shares
Norvista Capital Corporation	13,553,593	16.08 %

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares. The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

12. General and administrative

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Professional fees	\$ 5,740	\$ 6,506	\$ 32,048	\$ 15,051
Salaries	28,289	16,073	73,412	9,970
Share-based payments	-	-	175,500	-
Regulatory fees	5,946	784	32,318	14,890
Accounting fees	11,919	6,925	30,658	26,064
Administrative expenses	9,992	2,739	26,354	12,399
Consulting fees	45,000	22,500	120,000	24,230
Investor relations	-	-	3,250	4,500
	\$ 106,886	\$ 55,527	\$ 493,540	\$ 107,104

Nevada Zinc Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended September 30, 2021

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

13. Exploration, acquisition and development costs

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<u>Nevada, United States</u>				
Claim renewal	\$ 45,007	\$ -	\$ 45,975	\$ 41,623
Consulting	13,945	-	60,110	-
Leases	-	-	120,677	(68,528)
Reports	-	8,795	-	8,795
Metallurgical testing	37,799	-	119,852	-
Exploration, acquisition and development costs	\$ 96,751	\$ 8,795	\$ 346,614	\$ (18,110)

14. Segmented information

The Company primarily operates in two reportable operating segments, being mineral exploration in Canada and the United States. The Company has an administrative office in Toronto, Canada. Geographical information is as follows:

	September 30,		December 31,	
	2021	2020	2021	2020
Canada	\$ 85,496	\$ 13,776		
United States	21,373	21,373		
Total assets	\$ 106,869	\$ 35,149		

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Canada	\$ (106,886)	\$ (55,437)	\$ (481,977)	\$ (107,014)
United States	(96,751)	(8,795)	(346,614)	18,110
Total net loss	\$ (203,637)	\$ (64,232)	\$ (828,591)	\$ (88,904)

15. Contingencies

The Company's exploration activities are subject to government laws and regulations, including tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations. The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.