NEVADA ZINC CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2023

(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 March 31, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	$ **47,525**	$ 78,665
Marketable securities (note 5)	**336**	132
Amounts receivable and other assets (note 6)	**1,900**	3,474
	49,761	82,271
Non-current assets		
Reclamation bond	**21,373**	21,373
Total assets	$ **71,134**	$ 103,644
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Amounts payable and other liabilities (notes 7 and 12)	$ **623,742**	$ 374,427
Amounts payable to related party (note 12)	**65,227**	65,227
Total liabilities	**688,969**	439,654
Shareholders' equity (deficiency)		
Share capital (note 8)	**13,558,328**	13,558,328
Reserves (notes 10 and 11)	**464,954**	464,954
Deficit	**(14,641,117)**	(14,359,292)
Total shareholders' equity (deficiency)	**(617,835)**	(336,010)
Total liabilities and shareholders' equity (deficiency)	$ **71,134**	$ 103,644

Nature of operations and going concern (note 1)
Contingencies (note 16)

Approved on behalf of the Board:

(Signed) "Jim Beqaj", Director

(Signed) "Donald Christie", Director

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

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

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Operating expenses		
Exploration, acquisition and development costs (note 14)	$ **258,656**	$ 65,023
General and administrative (note 13)	**23,373**	132,665
Operating loss before the following items	**(282,029)**	(197,688)
Unrealized gain (loss) on marketable securities (note 5)	**204**	(72)
Net and comprehensive loss for the period	$ **(281,825)**	$ (197,760)
Basic and diluted loss per share (note 9)	$ **(0.00)**	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	**99,509,575**	90,511,398

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

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

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Operating activities		
Net loss for the period	**$ (281,825)**	$ (197,760)
Adjustments for:		
Unrealized loss (gain) on marketable securities (note 5)	**(204)**	72
Non-cash working capital items:		
Amounts receivable and other assets	**1,574**	(6,205)
Amounts payable and other liabilities	**249,315**	(70,565)
Net cash and cash equivalents used in operating activities	**(31,140)**	(274,458)
Financing activities		
Issuance of common shares (net of issuance costs) (note 8(b))	**-**	736,116
Net cash and cash equivalents provided by financing activities	**-**	736,116
Net change in cash and cash equivalents	**(31,140)**	461,658
Cash and cash equivalents, beginning of period	**78,665**	31,664
Cash and cash equivalents, end of period	**$ 47,525**	$ 493,322
Cash and cash equivalents consist of:		
Cash	**$ 47,074**	$ 492,871
Cash equivalents	**451**	451
	$ 47,525	$ 493,322

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

	Share capital	Reserves	Deficit	Total
Balance, December 31, 2021	**$ 12,692,487**	**$ 667,250**	**$ (14,144,259)**	**$ (784,522)**
Private placement financing (net issuance costs)(note 8(b)(i))	736,116	-	-	736,116
Issuance of common shares for settlement of debt (note 8(b) (iii))	389,836	-	-	389,836
Expiry of stock options	-	(231,000)	231,000	-
Warrants issued under unit offering (note 8(b)(ii))	(156,155)	156,155	-	-
Net loss for the period	-	-	(197,760)	(197,760)
Balance, March 31, 2022	**$ 13,662,284**	**$ 592,405**	**$ (14,111,019)**	**$ 143,670**
Balance, December 31, 2022	**$ 13,558,328**	**$ 464,954**	**$ (14,359,292)**	**$ (336,010)**
Net loss for the period	-	-	(281,825)	(281,825)
Balance, March 31, 2023	**$ 13,558,328**	**$ 464,954**	**$ (14,641,117)**	**$ (617,835)**

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

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, USA. 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 May 30, 2023.

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 the exploration and evaluation stage with its property interests and as is common with such companies, it raises financing for its development, exploration and acquisition activities. The Company has incurred losses in previous years, with current net loss of $281,825 for the three months ended March 31, 2023 and has an accumulated deficit of $14,641,117 as at March 31, 2023 (December 31, 2022 - $14,359,292). In addition, the Company had a working capital deficiency of $639,208 as at March 31, 2023 (December 31, 2022 - working capital deficiency of $357,383). Existing funds are not sufficient to advance 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 advance 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 complete its Zinc Sulphate/ Zinc oxide production testing and to explore, evaluate and develop mineral projects. 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.

2. Significant accounting policies

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 information required for disclosure in the Company's annual consolidated financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of May 30, 2023, the date the Board of Directors approved these unaudited condensed interim consolidated financial 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, 2022, 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, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements.

Standards to be adopted

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

3. Exploration and acquisition

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

Nevada, USA

The Lone Mountain Zinc Project ("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.

(Expressed in Canadian Dollars, unless otherwise indicated)

3. Exploration and acquisition (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.

As at March 31, 2023, the Company believes that it is in compliance with the lease agreement.

4. Cash and cash equivalents

	As at March 31, 2022	As at December 31, 2022
Cash	**$ 47,074**	$ 78,214
Money market investments	**451**	451
Total	**$ 47,525**	$ 78,665

5. Marketable securities

As at March 31, 2023, the Company's publicly traded investments consisted of the following:

Public issuer	Security description	Cost	Estimated fair value
Allied Copper Corp.	1,200 common shares	$ 7,200	$ 336
Capha Pharmaceutical Inc.	4,704 common shares	1,245	-
		$ 8,445	**$ 336**

As at December 31, 2022, the Company's publicly traded investments consisted of the following:

Public issuer	Security description	Cost	Estimated fair value
Allied Copper Corp.	1,200 common shares	$ 7,200	$ 132
Capha Pharmaceutical Inc.	4,704 common shares	1,245	-
		$ 8,445	**$ 132**

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

(Expressed in Canadian Dollars, unless otherwise indicated)

6. Amounts receivable and other assets

	As at March 31, 2022	As at December 31, 2022
Sales tax receivable - (Canada)	**$ 1,900**	$ 3,474

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 March 31, 2023	As at December 31, 2022
Trade payables	**$ 222,719**	$ 223,527
Accrued liabilities	**401,023**	150,900
	$ 623,742	$ 374,427

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 March 31, 2023, the issued share capital amounted to $13,558,328. The change in issued share capital for the periods presented were as follows:

	Number of common shares	Amount
Balance, December 31, 2021	**84,311,762**	**$ 12,692,487**
Issuance of common shares for private placement (i)	10,000,000	750,000
Issuance of common shares for settlement of debt (ii)	5,197,813	389,836
Fair value of warrants issued under private placement	-	(156,155)
Share issue costs (ii)	-	(13,884)
Balance, March 31, 2022	**99,509,575**	**$ 13,662,284**

	Number of common shares	Amount
Balance, December 31, 2022	**99,509,575**	**$ 13,558,328**
Balance, March 31, 2023	**99,509,575**	**$ 13,558,328**

(Expressed in Canadian Dollars, unless otherwise indicated)

8. Share capital (continued)

(i) On February 12, 2022, the Company closed a private placement for the issue of 10,000,000 units by the Company (the "Units") at a price of C$0.075 per Unit, for aggregate gross proceeds of $750,000.

Each Unit consists of one common share of the Company and one half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share at a price of $0.14 for a period of eighteen months from the date of issuance. The Company may elect to accelerate the expiry of the Warrants in the event the closing price of the common shares on the TSXV equals or exceeds $0.28 per common share for ten consecutive trading days, in which case the Warrants will expire sixty days after the date on which the Company provides written notice of acceleration.

The warrants were assigned a fair value of $156,155 using the Black-Scholes option pricing model. The following assumptions were used: risk-free interest rate - 1.46%; expected volatility - 124% which is based on historical volatility of the Company's share price; expected dividend yield - nil; and expected life - 1.33 years.

(ii) On March 22, 2022, the Company issued 5,197,813 common shares, at a deemed price of $0.075 per common share, in consideration for the settlement of an aggregate of $389,836 in accrued liabilities. Of the total amount, $332,236 was owed to Norvista Capital I LP and its affiliated entities (note 12) and the remainder was for the settlement of accrued management fees. The common shares issued are subject to a hold period expiring on July 19, 2022.

9. Basic and diluted loss per share

The calculation of basic loss per share for the three months ended March 31, 2023 was based on the net loss attributable to common shareholders of $281,825 (three months ended March 31, 2022 - net loss of $197,760) and the weighted average number of common shares outstanding for the three months ended March 31, 2023 of 99,509,575 (three months ended March 31, 2022 - 90,511,398). Diluted loss per share for the three months ended March 31, 2023 did not include the effect of 5,483,000 stock options (March 31, 2022 - 4,800,000 stock options) as they are anti-dilutive.

10. Warrants

The following reflects the continuity of warrants for the periods ended March 31, 2023 and 2021:

	Number of warrants	Weighted average exercise price ($)
Balance, December 31, 2021	**-**	**-**
Warrants issued under unit offering (note 8(b)(ii))	5,000,000	0.14
Balance, March 31, 2022 and December 31, 2022	**5,000,000**	**0.14**
Balance, March 31, 2023	**5,000,000**	**0.14**

(Expressed in Canadian Dollars, unless otherwise indicated)

10. Warrants (continued)

The following table reflects the actual warrants issued and outstanding as at March 31, 2023:

Number of warrants outstanding	Grant date fair value ($)	Exercise price ($)	Expiry date
5,000,000	135,629	0.14	August 12, 2023
5,000,000	**135,629**	**0.14**	

11. 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 director, senior officer, 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 stock option plan will be non-assignable. Outstanding options to be granted under the stock 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 March 31, 2023 and 2022:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2021	**5,300,000**	**0.17**
Expired	(500,000)	0.49
Balance, March 31, 2022	**4,800,000**	**0.14**
Balance, December 31, 2022	**5,483,000**	**0.11**
Balance, March 31, 2023	**5,483,000**	**0.11**

(Expressed in Canadian Dollars, unless otherwise indicated)

11. Stock options (continued)

The following table reflects the Company's stock options outstanding and exercisable as at March 31, 2023:

Options outstanding	Grant date fair value ($)	Exercise price ($)	Options exercisable	Weighted average remaining contractual life (years)	Expiry date
1,583,000	142,470	0.12	1,583,000	2.89	February 19, 2026
3,600,000	153,494	0.10	3,600,000	4.41	August 28, 2027
300,000	12,865	0.10	300,000	4.47	September 19, 2027
5,483,000	**308,829**	**0.11**	**5,483,000**	**3.98**	

12. 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 March 31, 2023	Three Months Ended March 31, 2022
Salaries(1)	**$ -**	$ 28,695
Consulting fees(2)	**-**	45,000
Share-based payments(3)	**-**	175,500
	$ -	$ 249,195

(Expressed in Canadian Dollars, unless otherwise indicated)

12. Related party transactions and major shareholders (continued)

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

During the three months ended March 31, 2023, Olive Resource Capital ("Olive", formerly "Norvista Capital"), an entity which shared common directors and officers with the Company, loaned the Company $nil (three months ended March 31, 2022 - $15,000) for short-term cash flow purposes. On June 14, 2021, the CFO of the Company ceased to be a director of Olive. As at March 31, 2023, Olive was owed $65,227 (December 31, 2022 - $65,227) 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) for additional details of related party transactions.

Major shareholders

To the knowledge of the directors and senior officers of the Company as at March 31, 2023, 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
Olive	17,927,406	18.02 %

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.

13. General and administrative

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Professional fees	**$ 10,888**	$ 39,932
Salaries	**-**	28,695
Regulatory fees	**404**	5,226
Accounting fees	**7,507**	7,110
Administrative expenses	**4,574**	6,702
Consulting fees	**-**	45,000
	$ 23,373	$ 132,665

(Expressed in Canadian Dollars, unless otherwise indicated)

14. Exploration, acquisition and development costs

	Three Months Ended March 31, 2023	2022
Nevada, United States		
Claim renewal	**$ -**	$ -
Consulting	**258,656**	65,023
Leases	**-**	-
Reports	**-**	-
Metallurgical testing	**-**	-
Exploration, acquisition and development costs	**$ 258,656**	$ 65,023

15. 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:

	March 31, 2023	December 31, 2022
Canada	**$ 49,761**	$ 82,271
United States	**21,373**	21,373
Total assets	**$ 71,134**	$ 103,644

	Three Months Ended March 31, 2023	2022
Canada	**$ (23,169)**	$ (305,505)
United States	**(258,656)**	-
Total net loss	**$ (281,825)**	$ (305,505)

16. 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.

From time to time, the Company may be named as a party to claims or involved in proceedings, including legal and regulatory, in the ordinary course of its business. While the outcome of these matters may not be estimable at period end, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to net income (loss) in that period.