

---

**NEVADA ZINC CORPORATION**

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2022**

**(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, 2022	As at December 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	\$ 134,711	\$ 31,664
Marketable securities (note 5)	168	264
Amounts receivable and other assets (note 6)	8,016	4,931
	<b>142,895</b>	36,859
<b>Non-current assets</b>		
Reclamation bond	21,373	21,373
<b>Total assets</b>	<b>\$ 164,268</b>	<b>\$ 58,232</b>
<b>LIABILITIES AND SHAREHOLDERS' (DEFICIENCY)</b>		
<b>Current liabilities</b>		
Amounts payable and other liabilities (notes 7 and 12)	\$ 441,529	\$ 445,291
Amounts payable to related party (note 12)	65,227	397,463
Total liabilities	506,756	842,754
<b>Shareholders' deficiency</b>		
Share capital (note 8)	13,662,284	12,692,487
Reserves (notes 10 and 11)	557,584	667,250
Deficit	(14,562,356)	(14,144,259)
<b>Total shareholders' deficiency</b>	<b>(342,488)</b>	<b>(784,522)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 164,268</b>	<b>\$ 58,232</b>

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

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 September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Operating expenses</b>				
Exploration, acquisition and development costs (note 15) \$	137,814	\$ 96,751	\$ 376,539	\$ 346,614
General and administrative (note 13)	181,373	106,886	473,642	493,540
<b>Operating loss before the following items</b>	<b>(319,187)</b>	<b>(203,637)</b>	<b>(850,181)</b>	<b>(840,154)</b>
Gain on settlement of debt	-	-	-	11,449
Unrealized (loss) gain on marketable securities (note 5)	36	(66)	(96)	114
<b>Net and comprehensive loss for the period</b>	<b>\$ (319,151)</b>	<b>\$ (203,703)</b>	<b>\$ (850,277)</b>	<b>\$ (828,591)</b>
<b>Basic and diluted loss per share</b> (note 9)	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>99,509,575</b>	<b>84,311,762</b>	<b>96,543,143</b>	<b>83,257,922</b>

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)**

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Operating activities</b>		
Net loss for the period	\$ (850,277)	\$ (828,591)
Adjustments for:		
Unrealized loss (gain) on marketable securities (note 5)	96	(114)
Share-based payments	166,359	175,500
Gain on settlement of debt	-	(11,449)
Non-cash working capital items:		
Amounts receivable and other assets	(3,085)	(21,762)
Amounts payable and other liabilities	53,838	(28,740)
Amounts payable to related party	-	15,000
<b>Net cash and cash equivalents used in operating activities</b>	<b>(633,069)</b>	<b>(700,156)</b>
<b>Financing activities</b>		
Issuance of common shares (net of issuance costs) (note 8(b))	736,116	750,000
<b>Net cash and cash equivalents provided by financing activities</b>	<b>736,116</b>	<b>750,000</b>
<b>Net change in cash and cash equivalents</b>	<b>103,047</b>	<b>49,844</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>31,664</b>	<b>8,001</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 134,711</b>	<b>\$ 57,845</b>
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 134,260	\$ 57,394
Cash equivalents	451	451
	<b>\$ 134,711</b>	<b>\$ 57,845</b>

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

## Nevada Zinc Corporation

### Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

(Expressed in Canadian Dollars)

(Unaudited)

	Share capital	Reserves	Deficit	Total
<b>Balance, December 31, 2020</b>	<b>\$ 11,942,487</b>	<b>\$ 1,376,811</b>	<b>\$ (14,013,657)</b>	<b>\$ (694,359)</b>
Issuance of common shares (note 8(b)(i))	750,000	-	-	750,000
Share-based payments (note 11(i))	-	175,500	-	175,500
Expiry of stock options	-	(885,061)	885,061	-
Net loss for the period	-	-	(828,591)	(828,591)
<b>Balance, September 30, 2021</b>	<b>\$ 12,692,487</b>	<b>\$ 667,250</b>	<b>\$ (13,957,187)</b>	<b>\$ (597,450)</b>
<b>Balance, December 31, 2021</b>	<b>\$ 12,692,487</b>	<b>\$ 667,250</b>	<b>\$ (14,144,259)</b>	<b>\$ (784,522)</b>
Private placement financing (net of issuance costs) (note 8(b)(ii))	736,116	-	-	736,116
Issuance of common shares for settlement of debt (note 8(b)(iii))	389,836	166,359	-	556,195
Expiry of stock options	-	(432,180)	432,180	-
Warrants issued under unit offering (note 8(b)(ii))	(156,155)	156,155	-	-
Net loss for the period	-	-	(850,277)	(850,277)
<b>Balance, September 30, 2022</b>	<b>\$ 13,662,284</b>	<b>\$ 557,584</b>	<b>\$ (14,562,356)</b>	<b>\$ (342,488)</b>

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

---

**Nevada Zinc Corporation**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three and Nine Months Ended September 30, 2022**  
**(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, 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 November 29, 2022.

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 \$850,277 for the nine months ended September 30, 2022 and has an accumulated deficit of \$14,562,356 as at September 30, 2022 (December 31, 2021 - \$14,144,259). In addition, the Company has a working capital deficiency of \$363,861 as at September 30, 2022 (December 31, 2021 - working capital deficiency of \$805,895). Existing funds are not sufficient to advance project development 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 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 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, 2022**  
**(Expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

---

**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 November 29, 2022, 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, 2021, 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, 2022 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.

**Nevada Zinc Corporation**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three and Nine Months Ended September 30, 2022**  
**(Expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**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 is responsible annually for making all federal and county claim renewal payments in order to keep the Property in good standing.

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 September 30, 2022, the Company believes that it is in compliance with the lease agreement.

**4. Cash and cash equivalents**

	As at September 30, 2022	As at December 31, 2021
Cash	\$ 134,260	\$ 31,213
Money market investments	451	451
<b>Total</b>	<b>\$ 134,711</b>	<b>\$ 31,664</b>

**5. Marketable securities**

As at September 30, 2022, the Company's publicly traded investments consisted of the following:

<b>Public issuer</b>	<b>Security description</b>	<b>Cost</b>	<b>Estimated fair value</b>
Allied Copper Corp.	1,200 common shares	\$ 7,200	\$ 168
Capha Pharmaceutical Inc.	4,704 common shares	1,245	-
		<b>\$ 8,445</b>	<b>\$ 168</b>

As at December 31, 2021, the Company's publicly traded investments consisted of the following:

<b>Public issuer</b>	<b>Security description</b>	<b>Cost</b>	<b>Estimated fair value</b>
Allied Copper Corp.	1,200 common shares	\$ 7,200	\$ 264
Capha Pharmaceutical Inc.	4,704 common shares	1,245	-
		<b>\$ 8,445</b>	<b>\$ 264</b>

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



**Nevada Zinc Corporation**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three and Nine Months Ended September 30, 2022**  
**(Expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**6. Amounts receivable and other assets**

	As at September 30, 2022	As at December 31, 2021
Sales tax receivable - (Canada)	\$ 8,016	\$ 4,931

**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, 2022	As at December 31, 2021
Trade payables	\$ 249,761	\$ 254,829
Accrued liabilities	191,767	190,462
	<b>\$ 441,529</b>	<b>\$ 445,291</b>

**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, 2022, the issued share capital amounted to \$13,662,284. The change in issued share capital for the periods presented were as follows:

	Number of common shares	Amount
<b>Balance, December 31, 2020</b>	<b>74,391,128</b>	<b>\$ 11,942,487</b>
Issuance of common shares for private placement (i)	9,920,634	750,000
<b>Balance, September 30, 2021</b>	<b>84,311,762</b>	<b>\$ 12,692,487</b>
	Number of common shares	Amount
<b>Balance, December 31, 2021</b>	<b>84,311,762</b>	<b>\$ 12,692,487</b>
Issuance of common shares for private placement (ii)	10,000,000	750,000
Issuance of common shares for settlement of debt (iii)	5,197,813	389,836
Fair value of warrants issued under private placement (ii)	-	(156,155)
Share issue costs (ii)	-	(13,884)
<b>Balance, September 30, 2022</b>	<b>99,509,575</b>	<b>\$ 13,662,284</b>

**Nevada Zinc Corporation**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three and Nine Months Ended September 30, 2022**  
**(Expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**8. Share capital (continued)**

(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 directors 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.

(ii) 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.

(iii) 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.

**9. Basic and diluted loss per share**

The calculation of basic loss per share for the three and nine months ended September 30, 2022 was based on the net loss attributable to common shareholders of \$319,151 and \$850,277, respectively (three and nine months ended September 30, 2021 - net loss of \$203,703 and \$828,591, respectively) and the weighted average number of common shares outstanding for the three and nine months ended September 30, 2022 of 99,509,575 and 96,543,143, respectively (three and nine months ended September 30, 2021 - 84,311,762 and 83,257,922). Diluted loss per share for the three and nine months ended September 30, 2022 did not include the effect of 5,583,000 stock options and 5,000,000 warrants (September 30, 2021 - 5,300,000 stock options and nil warrants) as they are anti-dilutive.

**10. Warrants**

The following table reflects the continuity of warrants for the periods ended September 30, 2022 and 2021:

	Number of warrants	Weighted average exercise price (\$)
<b>Balance, December 31, 2020 and September 30, 2021</b>	-	-
<b>Balance, December 31, 2021</b>	-	-
Warrants issued under unit offering (note 8(b)(ii))	5,000,000	0.14
<b>Balance, September 30, 2022</b>	<b>5,000,000</b>	<b>0.14</b>

**Nevada Zinc Corporation**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three and Nine Months Ended September 30, 2022**  
**(Expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**10. Warrants (continued)**

The following table reflects the actual warrants issued and outstanding as at September 30, 2022:

<b>Number of warrants outstanding</b>	<b>Grant date fair value (\$)</b>	<b>Exercise price (\$)</b>	<b>Expiry date</b>
5,000,000	156,115	0.14	August 12, 2023

**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 than 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 September 30, 2022 and 2021:

	<b>Number of stock options</b>	<b>Weighted average exercise price (\$)</b>
<b>Balance, December 31, 2020</b>	<b>6,050,000</b>	<b>0.23</b>
Granted (i)	1,950,000	0.12
Expired/forfeited	(2,700,000)	0.28
<b>Balance, September 30, 2021</b>	<b>5,300,000</b>	<b>0.17</b>
<b>Balance, December 31, 2021</b>	<b>5,300,000</b>	<b>0.17</b>
Granted (ii) (iii)	3,900,000	0.10
Expired/forfeited	(3,617,000)	0.19
<b>Balance, September 30, 2022</b>	<b>5,583,000</b>	<b>0.11</b>

**Nevada Zinc Corporation**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three and Nine Months Ended September 30, 2022**  
**(Expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**11. Stock options (continued)**

(i) On February 19, 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.

(ii) On August 29, 2022, the Company granted 3,600,000 stock options to certain officers and directors of the company with each option exercisable into one common share of the Company at an exercise price of \$0.10 per share unit until August 28, 2027. A fair value of \$153,494 was determined using the Black-Scholes option pricing model. The following assumptions were used: risk-free interest rate - 3.31%; expected volatility - 119% 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.

(iii) On September 20, 2022, the Company granted 300,000 stock options to a consultant of the company with each option exercisable into one common share of the Company at an exercise price of \$0.10 per share unit until September 19, 2027. A fair value of \$12,865 was determined using the Black-scholes option pricing model. The following assumptions were used: risk free interest rate - 3.39%; expected volatility - 120% 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, 2022, \$166,359 (three and nine months ended September 30, 2021 - \$nil and \$175,500), was expensed to share-based payments.

The following table reflects the Company's stock options outstanding and exercisable as at September 30, 2022:

<b>Options outstanding</b>	<b>Grant date fair value (\$)</b>	<b>Exercise price (\$)</b>	<b>Options exercisable</b>	<b>Weighted average remaining contractual life (years)</b>	<b>Expiry date</b>
1,683,000	151,470	0.12	1,683,000	3.39	February 19, 2026
3,600,000	153,494	0.10	3,600,000	4.91	August 28, 2027
300,000	12,865	0.10	300,000	4.97	September 19, 2027
<b>5,583,000</b>	<b>317,829</b>	<b>0.11</b>	<b>5,583,000</b>	<b>4.46</b>	

**Nevada Zinc Corporation**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three and Nine Months Ended September 30, 2022**  
**(Expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**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:

	<b>Three Months September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Salaries	\$ 10,000	\$ 28,289	\$ 60,076	\$ 73,412
Consulting fees	-	45,000	-	120,000
Share-based payments	<b>166,359</b>	-	<b>166,359</b>	175,500
	<b>\$ 176,359</b>	\$ 73,289	<b>\$ 226,435</b>	\$ 368,912

During the three and nine months ended September 30, 2022, Olive Resource Capital ("Olive", formerly "Norvista Capital"), an entity which shared common directors and officers with the Company, loaned the Company \$nil (three and nine months ended September 30, 2021 - \$nil and \$15,000 respectively) for short-term cash flow purposes. On June 14, 2021, the CFO of the Company ceased to be a director of Olive. As at September 30, 2022, Olive was owed \$65,227 (December 31, 2021 - \$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.

As at September 30, 2022, Norvista Capital I LP was owed \$nil (December 31, 2021 - \$332,236) and this amount was presented as amounts payable to related party. The amounts were 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 September 30, 2022, 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:

<b>Major shareholder</b>	<b>Number of common shares</b>	<b>Percentage of outstanding common shares</b>
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.

## Nevada Zinc Corporation

### Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2022

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

#### 13. General and administrative

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Professional fees	\$ 8,560	\$ 5,740	\$ 96,479	\$ 32,048
Salaries	10,000	28,289	60,076	73,412
Share-based payments	166,359	-	166,359	175,500
Regulatory fees	6,189	5,946	22,048	32,318
Accounting fees	4,866	11,919	25,583	30,658
Administrative expenses	428	9,992	38,588	26,354
Consulting fees	(15,029)	45,000	64,509	120,000
Investor relations	-	-	-	3,250
	\$ 181,373	\$ 106,886	\$ 473,642	\$ 493,540

#### 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, 2022	December 31, 2021
Canada	\$ 142,895	\$ 36,859
United States	21,373	21,373
<b>Total assets</b>	<b>\$ 164,268</b>	<b>\$ 58,232</b>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Canada	\$ (210,555)	\$ (55,437)	\$ (473,738)	\$ (107,014)
United States	(137,814)	(8,795)	(376,539)	18,110
<b>Total net loss</b>	<b>\$ (348,369)</b>	<b>\$ (64,232)</b>	<b>\$ (850,277)</b>	<b>\$ (88,904)</b>

#### 15. Exploration, acquisition and development costs

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b><u>Nevada, United States</u></b>				
Claim renewal	\$ 49,561	\$ 45,007	\$ 50,774	\$ 45,975
Consulting	77,557	13,945	175,460	60,110
Transportation	-	-	5,058	-
Leases	10,696	-	145,247	120,677
Metallurgical testing	-	37,799	-	119,852
<b>Exploration, acquisition and development costs</b>	<b>\$ 137,814</b>	<b>\$ 96,751</b>	<b>\$ 376,539</b>	<b>\$ 346,614</b>

---

**Nevada Zinc Corporation**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**Three and Nine Months Ended September 30, 2022**  
**(Expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

---

**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.

**17. Restatement**

These unaudited condensed interim consolidated financial statements have been restated to reflect additional legal and consulting fees of \$65,000 for services related to periods prior to 2020. A summary of the impact of the restatement is as follows:

Consolidated Statement of Changes in Shareholders' Deficiency at December 31, 2020:

- Increase Deficit and Total Shareholders' Deficiency of \$65,000

There are no restatement changes to the December 31, 2020 Consolidated Statement of Comprehensive Loss or Consolidated Statement of cashflows.