
NEVADA ZINC CORPORATION

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2020**

(EXPRESSED IN CANADIAN DOLLARS)

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, 2020	As at December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents (note 5)	\$ 12,848	\$ 62,028
Marketable securities (note 6)	270	180
Amounts receivable and other assets (note 7)	1,606	11,888
	14,724	74,096
Non-current assets		
Reclamation bond	21,373	21,373
Total assets	\$ 36,097	\$ 95,469
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Amounts payable and other liabilities (notes 8 and 13)	\$ 226,636	\$ 301,235
Amounts payable to related party (note 13)	204,357	100,226
Total liabilities	430,993	401,461
Shareholders' deficiency		
Share capital (note 9)	11,942,487	11,942,487
Reserves (notes 11 and 12)	1,612,391	1,701,831
Deficit	(13,949,774)	(13,950,310)
Total shareholders' deficiency	(394,896)	(305,992)
Total liabilities and shareholders' deficiency	\$ 36,097	\$ 95,469

Nature of operations and going concern (note 1)
Contingencies (notes 4 and 17)

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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Operating expenses				
Exploration and acquisition costs (recovery) (note 15) \$	8,795	\$ 93,338	\$ (18,110)	\$ 185,204
General and administrative (note 14)	55,527	73,719	107,104	241,095
Operating loss before the following items	(64,322)	(167,057)	(88,994)	(426,299)
Gain on sale of subsidiary (note 3)	-	-	-	320,227
Unrealized gain (loss) on marketable securities	90	(1,440)	90	(990)
Net and comprehensive loss for the period	\$ (64,232)	\$ (168,497)	\$ (88,904)	\$ (107,062)
Net and comprehensive loss for the period attributable to:				
Shareholders of the Company	\$ (64,232)	\$ (168,497)	\$ (88,904)	\$ (104,777)
Non-controlling interests in subsidiary	-	-	-	(2,285)
	\$ (64,232)	\$ (168,497)	\$ (88,904)	\$ (107,062)
Basic and diluted loss per share (note 10)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	74,391,128	73,412,867	74,391,128	73,232,703

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,	
	2020	2019
Operating activities		
Net loss for the period	\$ (88,904)	\$ (107,062)
Adjustments for:		
Unrealized gain on marketable securities	(90)	(450)
Gain on sale of subsidiary	-	(320,227)
Non-cash working capital items:		
Amounts receivable and other assets	10,282	3,878
Amounts payable and other liabilities	(74,599)	45,197
Amounts payable to related party	104,131	-
Net cash and cash equivalents used in operating activities	(49,180)	(378,664)
Investing activities		
Net cash received on sale of Generic Gold Corp.	-	296,396
Net cash and cash equivalents provided by investing activities	-	296,396
Net change in cash and cash equivalents	(49,180)	(82,268)
Cash and cash equivalents, beginning of period	62,028	33,107
Cash and cash equivalents, end of period	\$ 12,848	\$ (49,161)
Cash and cash equivalents consist of:		
Cash	\$ 3,400	\$ 110,008
Cash equivalents	9,448	9,328
	\$ 12,848	\$ 119,336

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	Reserves			Deficit	Total attributable to parent	Non-controlling interest	Total
		Warrant reserve	Share-based payment reserve	Contributed surplus on dilution gain				
Balance, December 31, 2018	\$ 11,842,487	\$ 446,336	\$ 1,874,631	\$ 2,340,343	\$ (16,582,112)	\$ (78,315)	\$ (8,196)	\$ (86,511)
Issuance of common shares (note 9(b)(i))	100,000	-	-	-	-	100,000	-	100,000
Expiry of warrants	-	(446,336)	-	-	446,336	-	-	-
Deconsolidation on sale of subsidiary	-	-	-	-	-	-	10,481	10,481
Expiry of stock options	-	-	(172,800)	-	172,800	-	-	-
Elimination of dilution gain of Generic Gold Corp.	-	-	-	(2,340,343)	2,340,343	-	-	-
Net loss for the period	-	-	-	-	(104,777)	(104,777)	(2,285)	(107,062)
Balance, September 30, 2019	\$ 11,942,487	\$ -	\$ 1,701,831	\$ -	\$ (13,727,410)	\$ (83,092)	\$ -	\$ (83,092)
Balance, December 31, 2019	\$ 11,942,487	\$ -	\$ 1,701,831	\$ -	\$ (13,950,310)	\$ (305,992)	\$ -	\$ (305,992)
Expiry of stock options	-	-	(89,440)	-	89,440	-	-	-
Net loss for the period	-	-	-	-	(88,904)	(88,904)	-	(88,904)
Balance, September 30, 2020	\$ 11,942,487	\$ -	\$ 1,612,391	\$ -	\$ (13,949,774)	\$ (394,896)	\$ -	\$ (394,896)

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, 2020
(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 mineral exploration (described in note 4) in Nevada, United States. 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 141 Adelaide Street West, Suite 1660, Toronto, Ontario, M5H 3L5.

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 30, 2020.

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 an exploration stage and as is common with many exploration companies, it raises financing for its exploration and acquisition activities. The Company has incurred losses in previous years, with current net loss of \$88,904 for the nine months ended September 30, 2020 and has an accumulated deficit of \$13,949,774 as at September 30, 2020. In addition, the Company had working capital deficiency of \$211,912 at September 30, 2020.

Existing funds may not be 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. 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.

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.

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2020
(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 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 30, 2020 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, 2019, 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, 2020 could result in restatement of these unaudited condensed interim consolidated financial statements.

New accounting policies

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. There was no impact on the Company's 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.

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2020
(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

3. Deconsolidation of subsidiary

On March 6, 2019, Nevada Zinc sold 25,000,000 common shares of Generic Gold to Generic Capital Corporation ("Generic Capital") pursuant to a share purchase agreement between Generic Capital and Nevada Zinc for gross proceeds of \$300,000.

As of March 6, 2019, the Company deconsolidated its share in the net liabilities of Generic Gold and recognized a gain. A summary of the carrying values of net liabilities disposed of :

As at	March 6, 2019
Cash	\$ 3,604
Amounts receivable and other assets	57,773
Amounts payable and other liabilities	(92,085)
Net liabilities	(30,708)
Non-controlling interest share of net liabilities	10,481
Company's share of net liabilities	\$ (20,227)
<u>Calculation of gain on sale:</u>	
Gross proceeds	\$ 300,000
Company's share of net liabilities	20,227
Gain on sale of subsidiary	\$ 320,227

4. Exploration and acquisition

The Company's principal property is the Lone Mountain Zinc Property in Eureka County, Nevada.

Nevada, United States

(i) On July 23, 2014, the Company received approval from the TSXV for the assignment of a lease agreement granting the Company the right to acquire a 100% interest in the Lone Mountain Zinc Property comprised of claims in Eureka County, Nevada (the "Lease Agreement") from Norvista Capital Corporation ("Norvista"). In connection with the Lease Agreement and in consideration for the assignment, the Company issued 2,000,000 common shares to Norvista at a fair value of \$0.15 per share (valued at \$300,000).

Under the terms of the Lease Agreement, the Company has the right to continually lease the Lone Mountain Zinc Property for a minimum 20 year period or longer if the Lease Agreement is extended beyond 20 years. 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 (first, second and third years paid), after which the lease payments increase to US\$50,000 per year in years four and five. Beginning in year six and thereafter the lease payments increase to US\$100,000 per year, however, these lease payments are treated as advances against royalty payments from production, if any, during the year the lease payment is made.

The Company must also make all payments to keep the Lone Mountain Zinc 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 base metal production, if any, from the Lone Mountain Zinc Property. The precious metals and base metals NSR on the Lone Mountain Zinc Property can be reduced to 2% and 1%, respectively, under certain circumstances.

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2020
(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

4. Exploration and acquisition (continued)

Nevada, United States (continued)

(ii) On October 30, 2014, the Company received approval from the TSXV approving the execution by the Company of a lease with an option-to-purchase agreement with Bravada Gold Corp. ("Bravada") to acquire a 100% interest in Bravada's South Lone Mountain property, located along the Battle Mountain-Eureka gold trend in central Nevada. The Bravada property is adjacent to the Company's Lone Mountain Zinc Property. The Bravada property consists of unpatented mineral claims.

The Bravada agreement provides the Company with the option to earn a 100% interest in the property by making staged, escalating lease payments totaling US\$325,000 in cash over a period of up to 10 years, during which exploration and development on the property may be conducted by the Company. In addition, Bravada received 50,000 of the Company's common shares on October 30, 2014 (valued at \$9,000) and is eligible to receive another 100,000 of the Company's common shares in the event a National Instrument 43-101 combined resource estimate for the Lone Mountain Zinc Property and the Bravada property indicates that at least 10 per cent of the reported tonnage is attributable to the Bravada property. All lease payments can be applied to the final purchase price of US\$325,000, after which advance minimum royalty payments become due annually in the amount of the cash equivalent of 50 ounces of gold.

Bravada and a previous owner of the Bravada property have royalties on production from the Bravada property. Bravada holds a 1.5% NSR on base metals production and a 3.0% NSR on precious metals production. Bravada's base metal NSR can be reduced to 1.0% and its precious metals NSR can be reduced to 1.5% concurrently, not individually, by the Company for a total cash payment to Bravada of US\$3 million. The previous owner of the Bravada property holds a 1.0% NSR on both base and precious metal production from the Bravada property. The Company can concurrently, not individually, buy down the royalty on both base and precious metals to 0.5% for total cash consideration of US\$3 million.

On March 1, 2015, the Company entered into an option agreement with Bravada to acquire a 50% interest in Bravada's North Lone Mountain property, located along the Battle Mountain-Eureka Gold trend in central Nevada. The North Lone Mountain property consists of unpatented mining claims.

The Bravada agreement provides the Company with the option to earn a 50% interest in the property by incurring a total of US\$150,000 in exploration expenditures over a period of 2 years. Upon the completion of the required exploration expenditures, a joint venture will be formed between the Company and Bravada, with each party holding 50% interest, for further exploration and development of the property. During 2018, the agreement regarding the North Lone Mountain property lapsed.

The original vendors of the property hold a 1.0% NSR, which can be reduced to 0.5% at any time for a one-time cash payment of US\$3 million.

(iii) On September 16, 2015, the Company purchased 100% interest in the Mountain View Mine located within the Company's Lone Mountain Zinc Property from Combined Metals Reduction Company ("Combined"), a Utah corporation, and its affiliates. In connection with the acquisition, the Company paid \$66,250 (US\$50,000) to Combined.

Nevada Zinc Corporation

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine months Ended September 30, 2020

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

5. Cash and cash equivalents

	As at September 30, 2020	As at December 31, 2019
Cash	\$ 3,400	\$ 52,622
Money market investments	9,448	9,406
Total	\$ 12,848	\$ 62,028

6. Marketable securities

As of September 30, 2020, the Company's publicly traded investments consisted of the following:

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

As of December 31, 2019, 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	\$ 180
Capha Pharmaceutical Inc.	4,704 common shares	7,200	-
		\$ 47,700	\$ 180

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

7. Amounts receivable and other assets

	As at September 30, 2020	As at December 31, 2019
Sales tax receivable - (Canada)	\$ 1,606	\$ 11,888

8. 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, 2020	As at December 31, 2019
Trade payables	\$ 161,452	\$ 120,866
Accrued liabilities	65,184	180,369
	\$ 226,636	\$ 301,235

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2020
(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

9. 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, 2020, the issued share capital amounted to \$11,942,487. The change in issued share capital for the periods presented were as follows:

	Number of common shares	Amount
Balance, December 31, 2018	73,141,128	\$ 11,842,487
Issuance of common shares for private placement (i)	1,250,000	100,000
Balance, September 30, 2019	74,391,128	\$ 11,942,487
Balance, December 31, 2019 and September 30, 2020	74,391,128	\$ 11,942,487

(i) On September 12, 2019, the Company issued 1,250,000 common shares at a price of \$0.08 per common share for gross proceeds of \$100,000.

10. Net loss per common share

The calculation of basic loss per share for the three and nine months ended September 30, 2020 was based on the net loss attributable to common shareholders of \$64,232 and \$88,904, respectively (three and nine months ended September 30, 2019 - net loss of \$168,497 and \$107,062, respectively) and the weighted average number of common shares outstanding of 74,391,128 for the three and nine months ended September 30, 2020 (three and nine months ended September 30, 2019 - 73,412,867 and 73,232,703, respectively). Diluted loss per share for the three and nine months ended September 30, 2020 did not include the effect of 5,350,000 stock options (September 30, 2019 - 5,750,000 stock options) as they are anti-dilutive.

11. Warrants

The following table reflects the continuity of warrants for the periods ended September 30, 2020 and 2019:

	Number of warrants	Weighted average exercise price (\$)
Balance, December 31, 2018	3,646,128	0.48
Expired	(3,646,128)	0.48
Balance, September 30, 2019	-	-

There were no warrants outstanding as at December 31, 2019 and September 30, 2020.

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine months Ended September 30, 2020
(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

12. 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 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 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, 2020 and 2019:

	Number of stock options	Weighted average exercise price (\$)
Balance, December 31, 2018	6,950,000	0.26
Expired/Forfeited	(1,200,000)	0.15
Balance, September 30, 2019	5,750,000	0.29
Balance, December 31, 2019	5,750,000	0.29
Expired/Forfeited	(400,000)	0.24
Balance, September 30, 2020	5,350,000	0.29

The following table reflects the Company's stock options outstanding and exercisable as at September 30, 2020:

Options outstanding	Grant date fair value (\$)	Exercise price (\$)	Options exercisable	Weighted average remaining contractual life (years)	Expiry date
350,000	96,180	0.28	350,000	0.25	January 1, 2021
800,000	305,600	0.39	800,000	0.52	April 6, 2021
2,150,000	674,961	0.25	2,150,000	0.84	August 3, 2021
500,000	231,000	0.49	500,000	1.30	January 18, 2022
200,000	52,400	0.30	200,000	1.68	June 7, 2022
200,000	52,400	0.35	200,000	1.72	June 19, 2022
400,000	83,600	0.23	400,000	2.03	October 11, 2022
250,000	44,750	0.20	250,000	2.45	March 15, 2023
500,000	71,500	0.16	500,000	2.91	August 28, 2023
5,350,000	1,612,391	0.29	5,350,000	1.22	

Nevada Zinc Corporation
Notes to Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

13. 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:

During the three and nine months ended September 30, 2020, \$nil and \$(38,250), respectively (three and nine months ended September 30, 2019 - \$15,000 and \$45,000, respectively) was (recovered) paid as a salary to Bruce Durham, the Chief Executive Officer of the Company. As of September 30, 2020, Bruce Durham was owed \$nil (December 31, 2019 - \$43,900) and this amount was included in amounts payable and other liabilities. The amounts are non-interest bearing, unsecured with no fixed terms of repayment.

During the three and nine months ended September 30, 2020, \$15,000 and \$45,000, respectively (three and nine months ended September 30, 2019 - \$15,000 and \$45,000, respectively) was paid as a salary to Donald Christie, the Chief Financial Officer of Nevada Zinc.

During the three and nine months ended September 30, 2020, rent expenses of \$nil (three and nine months ended September 30, 2019 - \$9,000 and \$27,000, respectively) were paid to Norvista. The amounts charged by Norvista were recorded at their exchange value. As of September 30, 2020, Norvista was owed \$204,357 (December 31, 2019 - \$100,226) and this amount was included in amounts payable and other liabilities. The amounts are non-interest bearing, unsecured with no fixed terms of repayment.

Major shareholders

To the knowledge of the directors and senior officers of the Company as at September 30, 2020, 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	18.22 %
InCoR Holdings Ltd.	8,050,000	10.82 %

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, 2020

(Expressed in Canadian Dollars, unless otherwise indicated)

(Unaudited)

14. General and administrative

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Professional fees	\$ 6,506	\$ 5,000	\$ 15,051	\$ 15,531
Salaries	16,073	31,061	9,970	93,182
Regulatory fees	784	2,238	14,890	23,357
Accounting fees	6,925	7,152	26,064	34,437
Administrative expenses	2,739	14,768	12,399	34,088
Consulting fees	22,500	9,000	24,230	27,000
Investor relations	-	4,500	4,500	13,500
	\$ 55,527	\$ 73,719	\$ 107,104	\$ 241,095

15. Exploration and acquisition costs

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Nevada, United States				
Claim renewal	\$ -	\$ 49,855	\$ 41,623	\$ 97,623
Leases	-	41,558	(68,528)	75,233
Reports	8,795	-	8,795	1,023
Metallurgical testing	-	1,925	-	11,325
Exploration and acquisition costs	\$ 8,795	\$ 93,338	\$ (18,110)	\$ 185,204

16. 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,	
	2020	2019	2020	2019
Canada	\$ 36,097	\$ 95,469		
Total assets	\$ 36,097	\$ 95,469		

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Canada	\$ (55,437)	\$ (75,159)	\$ (107,014)	\$ 78,264
United States	(8,795)	(93,338)	18,110	(185,326)
Total net loss	\$ (64,232)	\$ (168,497)	\$ (88,904)	\$ (107,062)

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(Unaudited)

17. 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.

See note 4.

18. Non-controlling interest

Generic Gold was incorporated under the laws of the Province of Ontario on May 29, 2017. On May 30, 2017, the Company vended, on a tax free basis, its Yukon gold properties into Generic Gold. As consideration for the sale of its gold properties to Generic Gold, the Company received 25,000,000 common shares of Generic Gold at a value of \$0.208 per share for aggregate share consideration of \$5,197,000.

Nevada Zinc held 100% interest in the share capital of Generic Gold from date of its incorporation up to June 27, 2017. On June 27, 2017, Generic Gold completed the first tranche of a financing and issued 152,500 flow-through units, 2,765,000 non-flow-through units and 178,800 common shares, as commission, of Generic Gold's share capital for gross proceeds of \$890,500. On July 20, 2017, Generic Gold completed the second tranche of a financing and issued 87,500 flow-through units, 2,603,333 non-flow-through units and 126,640 common shares, as commission, of Generic Gold's share capital for gross proceeds of \$816,000. On September 22, 2017, Generic Gold completed the final tranche of a financing and issued 2,173,798 non-flow-through units and 269,397 common shares, as commission, of Generic Gold's share capital for gross proceeds of \$652,139. On February 20, 2018, Generic Gold issued 3,001,520 common shares pursuant to the Amalgamation.

Nevada Zinc recognized a gain on the dilution of Generic Gold and this gain was reported directly on the consolidated statement of changes in equity. For the period ended March 5, 2019, Nevada Zinc recognized a loss of \$2,285 on the dilution.

During the period January 1, 2019 to March 5, 2019, Generic Gold incurred a loss of \$6,360 a total of \$2,285 was assigned to the non-controlling interest. As a result of the sale of Generic Gold, the Company no longer consolidates Generic Gold's financial position and performance from March 5, 2019 and the non-controlling interest was eliminated on sale of Generic Gold.

19. Other event

On July 13, 2020, the Company announced that it had entered into a Collaboration Agreement (the "Agreement") with Cameron Chemicals, Inc. ("Cameron"). Cameron is a U.S. producer and distributor of granular micronutrients for the agricultural, turf, and horticultural industries with manufacturing facilities in the states of Virginia, Michigan and Washington. The Company's Nevada based Lone Mountain zinc oxide deposit is strategically located adjacent to California's agricultural industry.

Under the terms of the Agreement, Nevada Zinc and Cameron will work together to establish a range of zinc based micronutrient products to be produced by the Company and marketed by Cameron. Distribution networks in the U.S., Canada, Southeast Asia, Korea and South America have been developed by Cameron over the past three decades. At this time, subject to completing production process evaluation studies, Nevada Zinc's annual production is projected to be up to 25,000 tonnes of zinc based micronutrient products. Based upon this annual production rate, Lone Mountain's life of mine will be in the range of fifteen to twenty years based upon the Company's current resource estimate. The Lone Mountain property has only been partially explored to-date and has good potential to increase in size subject to further exploration programs to be undertaken by the Company.

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19. Other event (continued)

Over the next 12 months, Nevada Zinc intends to complete a project evaluation study which will include studies relating to the mining and production processes that will best suit the project. The Company also plans to commence environmental and permitting studies as well as the submission of permit applications. Affirmative results from this project evaluation work will allow Nevada Zinc to make a positive project construction decision at the end of the permitting process. There is no assurance currently that the existing mineral resource may be processed on a technical or economic basis.

Concurrent with a positive construction decision the Company will negotiate an off-take agreement with Cameron whereby Cameron would purchase 100% of Nevada Zinc's annual production during the initial term of the off-take agreement. The initial term of the off-take agreement will be equal to or greater than the project pay-back period as mutually agreed to by the Company and project capex debt and equity investors.