

NEVADA ZINC CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED

JUNE 30, 2023

AUGUST 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Introduction

The following interim management's discussion and analysis ("MD&A") of Nevada Zinc Corporation ("Nevada Zinc" or the "Company") for the three and six month periods ended June 30, 2023, has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual MD&A for the fiscal year ended December 31, 2022. This interim MD&A does not provide a general update to the annual MD&A, or reflect any non-material events since the date of the annual MD&A.

This interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's annual MD&A, audited annual financial statements for the years ended December 31, 2022, and December 31, 2021, together with the notes thereto, and the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2023, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed consolidated interim financial statements and the financial information contained in this interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Information contained herein is presented as of August 29, 2023, unless otherwise indicated.

For the purposes of preparing this interim MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Nevada Zinc's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking

statements and material risk factors that could cause actual results to differ materially from the forward looking statements.

Forward-looking statements	Assumptions	Risk factors
Nevada Zinc's Lone Mountain property may contain economic deposits of zinc and other base metals and the Company may economically produce zinc oxide and zinc sulfate from the deposit.	Financing will be available for future development and exploration of Nevada Zinc's Lone Mountain deposit; the actual results of Nevada Zinc's development studies will be favourable; the deposit's mineralized material will be suitable for making zinc chemicals, operating, and development costs will not exceed Nevada Zinc's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals will be received on a timely basis upon terms acceptable to Nevada Zinc, and economic conditions are favourable to Nevada Zinc; the off-take price for zinc based products will be favourable to Nevada Zinc; no title disputes exist or will exist with respect to the Company's properties.	Availability of financing for Nevada Zinc's exploration and development activities; zinc products off-take price volatility; market penetration; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; changes in economic conditions; the Company's ability to retain and attract skilled staff.
The Company will be able to carry out anticipated business plans, including the funding of development studies and exploration costs on its Lone Mountain property, completion of its PEA and Pre Feasibility Study, obtaining water rights and permitting leading to an ultimate construction decision to build a zinc oxide production facility.	The development and operating activities of the Company for the twelve month period ending August 29, 2024, and the funding of the costs associated therewith will be funded from the Company's equity raises; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration and development projects and other operations will be received on a timely basis upon terms acceptable to Nevada Zinc; the Company will not be adversely affected by market competition; the price of zinc based products will be favourable to Nevada Zinc; no title disputes exist with respect to Nevada Zinc's Lone Mountain property.	Availability of external financing on acceptable terms; zinc products price volatility, changes in equity markets; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; permitting and access to water rights, changes in economic conditions; the Company may be unable to retain and attract skilled staff; receipt of applicable permits.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Nevada Zinc's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive

list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Nevada Zinc's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Nevada Zinc is a Canadian-based resource company focused on the exploration and development of its high grade zinc carbonate-oxide deposit located near Eureka, Nevada. The Company has a 100% ownership interest in the Lone Mountain zinc property comprised of a lease agreement (the "Lease Agreement") assigned to the Company on June 16, 2014. The Lease Agreement applies to 176 claims in Eureka County, Nevada. Under the terms of the Lease Agreement, Nevada Zinc has the right to continually lease the property for an initial 20 year term, subject to lease extensions at the end of the initial lease term and the end of subsequent lease extensions at the option of the Company. On September 30, 2015, the Company announced the purchase of the historic Mountain View Mine property that is completely surrounded by other claims held by the Company. The Mountain View Mine property is comprised of a single patented mineral claim where historic mining operations took place more than 50 years ago. As a result of the transactions described above, plus additional staking of 26 unpatented mining claims, the Company now controls 202 claims with the Lone Mountain property now aggregating to more than 4,000 acres in one of the world's top ranked mining jurisdictions. Nevada Zinc released its initial inferred resource in July 2018, and in June 2019, the Company announced positive preliminary economic assessment results for the production of zinc concentrate from its Lone Mountain zinc deposit.

Nevada Zinc is now actively assessing the potential to economically produce zinc oxide for industrial use as well as producing zinc sulfate, from the conversion of zinc oxide, for the US agricultural industry from its Lone Mountain high grade zinc carbonate-oxide deposit. This potentially represents to the Company a superior economic alternative to producing and selling zinc concentrate for the production of zinc metal. In March 2021, Nevada Zinc announced the engagement of Hazen Research, Inc. ("Hazen"), Golden, Colorado, to conduct a multiphase pilot program to determine if the Company could economically produce zinc sulfate monohydrate, a micronutrient zinc-based fertilizer and animal feed from its Lone Mountain high grade zinc carbonate-oxide deposit. In early April 2023, as the result of high levels of sulphuric acid consumption in the zinc sulfate pilot plant production process the Company shipped 10 kilograms of crushed sample material used in the zinc sulfate pilot plant work to Belzinc, a Belgium based company, for a bench scale test to determine if zinc oxide could be produced using Belzinc's proprietary process which requires significantly less sulphuric acid as well as removing the need for solvent extraction in the production process which also requires sulphuric acid and other reagents. The results of the bench scale test were successful resulting in the production of high grade zinc oxide. The Company then shipped 50 kilograms of uncrushed, unbeneficated ore from the Company's Lone Mountain deposit to Belzinc for expanded testing. The results of this testing also resulted in the successful production of high grade zinc oxide. Management believes that the ability to produce zinc sulfate from zinc oxide represents the potential to materially improve upon the economics to-date from the zinc sulfate pilot plant work by simplifying the production process and significantly reducing sulphuric acid consumption and reagent inputs through the elimination of the need to employ solvent extraction in the production process. Being in a position to produce both zinc oxide and then to convert the zinc oxide to zinc sulfate would broaden the

markets into which the Company could potentially sell its finished zinc based products as well as reduce economic dependency on one market segment. Prices for zinc oxide are correlated to the LME zinc price while the price of zinc sulfate is correlated to supply and demand levels in the US agricultural markets. Decisions to produce either zinc oxide or zinc sulfate from the same production facility will be largely governed by the underlying prices of the two commodities from time to time.

Overall Performance

The Company had a net and comprehensive loss of \$1193,723 and \$475,884 for the three and six months ended June 30, 2023, compared to a net and comprehensive loss of \$303,998 and \$501,848 for the three and six months ended June 30, 2022. The reduction in the year over year loss for the six month period ended June 30, 2023 of \$25,964 is primarily attributable to this year's reduction in salaries plus professional and consulting fees offset by an increase in consulting costs related to the zinc sulfate monohydrate pilot plant study.

The Company had consolidated exploration, acquisition and development costs of \$153,831 and \$412,487 and an operating loss of \$193,723 and \$475,752 for the three and six months ended June 30, 2023 compared to exploration, acquisition and development costs of \$173,702 and \$238,725 and an operating loss of \$304,088 and \$501,776 for the three and six months ended June 30, 2022. The Company had total assets of \$24,510 (the Company expenses all of its exploration and acquisition costs), total liabilities to third parties of \$582,856 and a shareholders' deficiency of \$811,894 as at June 30, 2023, compared to total assets of \$103,644, total liabilities to third parties of \$374,427 and a shareholders' deficiency of \$336,010 as at December 31, 2022.

As at June 30, 2023, the Company had current assets of \$3,137 compared to current assets of \$82,271, as at December 31, 2022, and current liabilities to third parties of \$582,856 as at June 30, 2023, compared to current liabilities to third parties of \$374,427 as at December 31, 2022, resulting in a working capital deficit of \$579,719 as at June 30, 2023, compared to a working capital deficit of \$292,156 as at December 31, 2022.

Significant Developments

On March 29, 2023 the Company announced the successful production, on a continuous basis, of high-grade zinc sulfate monohydrate from its multiphase pilot plant project using sample material provided from the Company's Lone Mountain deposit. In an attempt to reduce the consumption of sulphuric acid as well as reagent inputs in the solvent extraction process used in the pilot plant production process the Company began testing the production of zinc oxide using a proprietary third party production process.

On May 15, 2023 the Company announced that bench scale testing using 10 kilograms of sample material from the zinc sulfate pilot plant study sent to BelZinc had resulted in the successful production of high grade zinc oxide. Further testing by BelZinc, to determine scalability, using 50 kilograms of representative sample ore directly from the Company's Lone Mountain deposit began in late May. The results of this expanded testing also resulted in the successful production of high grade zinc oxide. Zinc oxide is consumed by smelters in the production of zinc metal and has many other industrial applications. Additionally, zinc oxide can also be converted to zinc sulfate monohydrate without requiring the consumption of high levels of sulphuric acid. The market for zinc oxide is significantly larger than the market for zinc sulfate which as a fertilizer is subject to seasonal demand fluctuations.

On August 10, 2023, on the heels of two successful testing phases carried out by BelZinc, which both resulted in the production of high grade zinc oxide, Nevada Zinc announced that it had executed a letter of intent with Belgium based Belzinc to form a strategic partnership. The objective of the partnership is to produce zinc oxide from ore provided from the Company's Lone Mountain zinc deposit utilizing BelZinc's proprietary production

technology. Belzinc is currently pursuing patent protection for its production process in Belgium which will then be extended to the European Union as well as North America.

On August 23, 2023 the Company announced its intention to complete an equity unit financing up to \$500,000 to fund working capital requirements as well as the completion of a preliminary economic assessment ("PEA") in Q4 for the zinc oxide production initiative. The Company expects to have a first closing of the financing during the week of August 28th. Directors of the Company provided Nevada Zinc with \$188,321 of funding during the three months ended June 30, 2023 to fund key operating expenses pending the release of the results of BelZinc's second round of testing of the Company's ore. Results from the completion of this successful second round of testing were made available to management in July.

The Company is currently in discussions with a number of consulting firms in order to choose a firm to carry out the environmental permitting process as well as accessing water rights near Lone Mountain. Additionally, management is in the process of identifying engineering firms who would be best qualified to carry out the engineering, procurement and construction management process for the development of a zinc oxide production plant adjacent to the Company's Lone Mountain deposit.

Trends

The Company is a pre-development entity, focused on the development of zinc oxide and zinc based micronutrient products. Demand for micro nutrient fertilizers continues to remain strong in the US and pricing levels for zinc oxide as a zinc smelter input remain elevated. Global changes resulting from the pandemic and Russia's invasion of Ukraine has resulted in concerns about the security of food supply and is leading to the emergence of food nationalism with the obvious benefits that will accrue from that to American growers. The Company's future performance is largely tied to the development of the Lone Mountain deposit.

Apart from funding and project evaluation risk and the risk factors noted under the heading "Risks and Uncertainties" below, management is not aware of any other trends, commitments, events or uncertainties that would have a material affect on the Company's business, financial condition or results of operations.

Environmental Liabilities

As at August 29, 2023, the date of this MD&A, the Company is not aware of any significant environmental liabilities or obligations associated with its mining property interests. The Company is conducting its operations in a manner that meets or exceeds governing environmental legislation.

Off-Balance-Sheet Arrangements

As at August 29, 2023 the Company does not have any off-balance-sheet arrangements.

Selected Quarterly Financial Information

Three months ended	Net income (loss) and comprehensive income (loss) (\$)	Basic income (loss) per share (\$)	Total assets (\$)
June 30, 2023	(193,783)	(0.00)	24,510
March 31, 2023	(281,825)	(0.00)	71,134
December 31, 2022	81,216	(0.00)	103,644
September 30, 2022	(319,151)	(0.00)	164,268
June 30, 2023	(304,148)	(0.00)	312,169
March 31, 2022	(197,760)	(0.00)	526,023
December 31, 2022	(122,072)	(0.00)	58,232
September 30, 2021	(203,637)	(0.00)	106,869

Consolidated net loss, for the three months ended June 30, 2023, of \$193,783 resulted from exploration, acquisition and development costs of \$153,831, general and administrative expenses of \$39,892 which is comprised of professional fees of \$11,077; regulatory fees of \$9,535; accounting fees of \$12,149; and administrative expenses of \$7,131; plus an unrealized loss on marketable securities of \$60.

Consolidated net loss, for the three months ended March 31, 2023, of \$281,825 resulted from exploration, acquisition and development costs of \$258,656, general and administrative expenses of \$23,373 which is comprised of professional fees of \$10,888; regulatory fees of \$404; accounting fees of \$7,507; and administrative expenses of \$4,574; plus an unrealized gain on marketable securities of \$204. Consolidated net income, for the three months ended December 31, 2022, of \$81,216 resulted from exploration, acquisition and development costs of \$612, general and administrative expenses of \$57,624 which is comprised of professional fees of \$27,677; salary reclassification of \$10,000; regulatory fees of \$6,371; accounting fees of \$7,403; administrative expenses of \$15,673; and consulting fees of \$10,500; gain on debt settlement of \$139,488; plus an unrealized loss on marketable securities of \$36.

Consolidated net loss, for the three months ended September 30, 2022, of \$319,151 resulted from exploration, acquisition and development costs of \$137,814, general and administrative expenses of \$181,373 which is comprised of professional fees of \$8,560; salaries of \$10,000; share-based payments of \$166,359; regulatory fees of \$6,189; accounting fees of \$4,866; administrative expenses of \$428; and a consulting fee credit of \$15,029 from the favourable settlement of previously accrued consulting fees; plus an unrealized gain on marketable securities of \$36.

Consolidated net loss, for the three months ended June 30, 2023, of \$304,148 resulted from exploration, acquisition and development costs of \$173,702, general and administrative expenses of \$130,386 which is comprised of professional fees of \$19,234 (includes legal fees associated with February 2022 financing and debt for equity settlement as well as fees associated with settlement with US legal counsel for prior period legal services); salaries of \$33,305; regulatory fees of \$10,633; accounting fees of \$13,607; administrative expenses of \$34,569; and consulting fees of \$19,038; and an unrealized loss on marketable securities of \$60.

Consolidated net loss, for the three months ended March 31, 2022, of \$197,760 resulted from exploration, acquisition and development costs of \$65,023, general and administrative expenses of \$132,665 which is comprised of professional fees of \$39,932 (includes legal fees associated with February 2022 financing and debt for equity settlement as well as fees associated with settlement with US legal counsel for prior period legal services); salaries of \$28,695; regulatory fees of \$5,226; accounting fees of \$7,110;

administrative expenses of \$6,702; and consulting fees of \$45,000; and an unrealized loss on marketable securities of \$72.

Consolidated net loss, for the three months ended December 31, 2022, of \$122,072 resulted from exploration, acquisition and development costs of \$6,666, general and administrative expenses of \$115,286 which is comprised of professional fees of \$33,496; salaries of \$18,000; regulatory fees of \$1,427; accounting fees reallocation of (\$393); administrative expenses of \$12,967; and consulting fees of \$49,789; and an unrealized loss on marketable securities of \$120.

Consolidated net loss, for the three months ended September 30, 2021, of \$203,637 resulted from exploration, acquisition and development costs of \$96,751 general and administrative expenses of \$106,886 which is comprised of professional fees of \$5,740; salaries of \$28,289; regulatory fees of \$5,946; accounting fees of \$11,919; administrative expenses of \$9,992; and consulting fees of \$45,000.

As at June 30, 2023 the Company had cash and cash equivalents of \$283,386. The increase in cash of \$251,722 from December 31, 2022 cash balance of \$31,664 was the result of cash outflows for the six month period ended June 30, 2023 from operating activities of \$484,394 and cash inflows from financing activities of \$736,116. Operating activities were mainly affected by net loss of \$501,908 and a net change in non-cash working capital balances of \$17,382.

Liquidity and Financial Position

As at June 30, 2023, the Company had consolidated cash and cash equivalents of \$685 and amounts receivable and other assets of \$2,452 (sales tax receivable) compared to cash and cash equivalents of \$31,664, marketable securities of \$264 and amounts receivable and other assets of \$4,931 as at December 31, 2022.

As at June 30, 2023, the Company had current assets of \$3,137 compared to current assets of \$82,271 as at December 31, 2022, and current liabilities to third parties of \$582,856 as at June 30, 2023, compared to current liabilities to third parties of \$374,427 as at December 31, 2022, resulting in working capital deficit of \$579,719 as at June 30, 2023, compared to a working capital deficit of \$292,156 as at December 31, 2022.

During the three months ended June 30, 2023 certain directors of the Company advanced related party loans to the Company in the amount of \$188,321 to fund critical operating expenses including the annual lease payment covering 176 claims leased by the Company as part of its Lone Mountain deposit. On August 23, 2023 the Company announced its intention to complete a private placement up to \$500,000 with a first close scheduled to occur during the week of August 28th, 2023. Directors of the Company will also participate in this round of financing.

As at June 30, 2023, and the date of this MD&A, the Company's cash resources are on deposit with the Royal Bank of Canada in Toronto.

Transactions with Related Parties

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.

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

Three and six months ended June 30,	2023	2022	2023	2022
Salaries	\$ 33,305	\$ 72,000	\$ 107,000	\$ 117,000
Share based compensation ⁽¹⁾	-	-	-	175,000
	\$ 33,305	\$ 72,000	\$ 107,000	\$ 292,500

⁽¹⁾ Represents share-based payments to officers, directors and a consultant of the Company.

Olive Resource Capital was owed \$65,227 as at June 30, 2023, (December 31, 2022 - \$65,227) and this amount was represented as amounts payable to related party. The amounts are non-interest bearing, unsecured with no fixed terms of repayment.

During the three months ended June 30, 2023, certain directors of the Company loaned the Company \$188,321 (three months ended June 30, 2022 - \$nil) for short-term cash flow purposes and this amount was presented as amounts payable to related party. The amounts are 10% per annum interest bearing, unsecured with a maturity date for repayment of December 31, 2023

Major shareholders

To the knowledge of the directors and senior officers of the Company as at August 29, 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 Resource Capital Inc. & Affiliates	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.

Critical Accounting Estimates

The preparation of the Company's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2023, in conformity with IFRS, required management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the audited consolidated financial statements and reported amounts of expenses during the three and six month periods ended June 30, 2023. Actual outcomes could differ from these estimates. The Company's audited consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the audited consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if

the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Income, value added, withholding and other taxes:

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(ii) Share-based payments:

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(iii) Decommissioning, restoration and similar liabilities:

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

(iv) Contingencies:

Refer to notes 1 and 16 of the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2023.

Accounting Policies

Note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2022 discloses the Company's accounting policies and methods of application used.

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, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

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.

Capital Management

The Company defines capital management as the manner in which it manages its share capital. As at June 30, 2023, the Company's share capital was \$13,558,328 (December 31, 2022 - \$13,558,328). The Company's objectives when managing capital are:

- a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;
- b) To maintain a flexible capital structure, that optimizes the cost of capital at an acceptable risk; and
- c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments or make adjustments to its capital expenditure program.

The Company's capital management objectives, policies and processes have remained unchanged during the three and six month periods ended June 30, 2023, and 2022.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited condensed interim consolidated

financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Financial Instruments and Risk Management

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity price and foreign currency exchange rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up to date market information.

Credit Risk

The Company's credit risk is primarily attributable to cash and amounts receivable. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to these financial instruments included in cash and cash equivalents and amounts receivable is remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity or access to liquidity to meet liabilities when due. As at June 30, 2023, the Company had consolidated cash and cash equivalents of \$685 (December 31, 2022 - \$82,271) to settle current liabilities to third parties of

\$582,856 (December 31, 2022 - \$374,427). During the three months ended June 30, 2023 the directors of Nevada Zinc provided funding to the Company pending the successful outcome of the second round of zinc oxide testing which was completed in July. The Company announced August 23, 2023 its intention raise additional equity capital of up to \$500,000. The directors of the Company will also be participating in this financing.

Market Risk

Interest Rate Risk

The Company does not have any interest bearing deposits or liabilities and therefore the Company is not subject to interest rate risk.

Foreign Currency Risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Foreign currency risk is the risk that future cash flows of financial instruments will fluctuate as a result of changes in foreign exchange rates. Certain of the Company's expenses are incurred in United States dollars, and are therefore subject to gains or losses due to fluctuations in this currency.

Commodity and Equity Price Risk

The Company is exposed to price risk with respect to commodity prices including zinc chemicals price risk. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to zinc sulfate and zinc metal prices and to the equity markets to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the US price of zinc chemicals and the world market price of base metals. As at June 30, 2023, the Company was not a zinc chemical or zinc metal producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity Analysis

The Company has designated its cash as held-for-trading, measured at fair value. Accounts payable and accrued liabilities are short-term in nature and are measured at amortized cost. As at June 30, 2023, the carrying and fair value amounts of the Company's cash, accounts receivable and advances and accounts payable and accrued liabilities are approximately the same.

The primary business objectives of the Company are the implementation of recommended programs with respect to the development and exploration of the Company's Lone Mountain deposit. See "Description of Business".

Share Capital

As at August 29, 2023, the date of this MD&A, Nevada Zinc has 99,509,575 issued and outstanding common shares.

The Company has also granted 5,483,000 fully vested common share purchase options:

1,583,000 options have an exercise price of \$0.12 and expire on February 19, 2026.

3,600,000 options have an exercise price of \$0.10 and expire on August 28, 2027.

300,000 options have an exercise price of \$0.10 and expire on September 19, 2027.

Risks and Uncertainties

An investment in the securities of the Company involves a high degree of risk and should only be considered by persons who can afford to lose their entire investment. Risk factors relating to an investment in securities of the Company should be carefully considered by investors before deciding whether to purchase any securities of the Company. Such risk factors may have a material adverse effect on the financial position or results of operations of the Company or the value of securities of the Company. Please refer to the Company's MD&A for the year ended December 31, 2022 for a complete list of risks and uncertainties.

Additional Information

Additional information about the Company is available on the Company's website at www.nevadazinc.com or on SEDAR at www.sedar.com