Pima Zinc Corp.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

(Expressed in U.S. Dollars)

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying condensed interim consolidated financial statements of Pima Zinc Corp. (the "Company"), are the responsibility of the management and Board of Directors of the Company.

The condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Albert Contardi" , CEO	*"Arvin Ramos"* , CFO
Albert Contardi	Arvin Ramos

Toronto, Ontario
May 10, 2022

PIMA ZINC CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in U.S. Dollars)

(Unaudited)

		March 31, 2022		December 31, 2021
ASSETS				
Current assets				
Cash	$	10,715	$	10,600
Total assets	$	10,715	$	10,600
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (note 3)	$	355,095	$	318,239
		355,095		318,239
Shareholders' equity				
Capital stock (note 4)		3,867,771		3,867,771
Reserve for share-based payments (note 6)		332,000		332,000
Reserve for warrants (note 7)		1,205,647		1,205,647
Accumulated deficit		(5,842,034)		(5,805,475)
Cumulative foreign translation gain		92,236		92,418
Total shareholders' equity		(344,380)		(307,639)
Total liabilities and shareholders' equity	$	10,715	$	10,600

Nature of operations and going concern (note 1)
Proposed transaction (note 11)
Subsequent event (note 12)

Approved on behalf of the Board:

(Signed) "Daniel Nauth", Director

(Signed) "David MacMillan", Director

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

PIMA ZINC CORP.

CONDESED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in U.S. Dollars)

(Unaudited)

	Three months ended	
	March 31, 2022	March 31, 2021
OPERATING EXPENSES:		
Consulting fees (note 8)	$ **10,000**	$ 10,000
Professional fees	**22,742**	6,450
General and administrative expenses	**32**	170
Investor relations, transfer agent and filing fees	**3,785**	4,856
NET LOSS	$ **(36,559)**	$ (21,476)
OTHER COMPREHENSIVE LOSS		
Foreign exchange gain (loss)	**(182)**	125
NET COMPREHENSIVE LOSS	$ **(36,741)**	$ (21,351)
COMPREHENSIVE LOSS PER SHARE		
- BASIC AND DILUTED	$ **(0.03)**	$ (0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED	**1,267,139**	1,267,139

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

PIMA ZINC CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in U.S. Dollars)

(Unaudited)

	Common Stock		Reserve for Warrants	Reserve for Share based payments	Cumulative Transalation Gain	Accumulated Deficit	Total Shareholders' Equity
	Shares*	Amount					
Balance, December 31, 2020	1,267,139	$ 3,867,771	$ $ 1,205,647	$ 332,000	$ 96,714	$ (5,688,758)	$ (186,626)
Comprehensive gain (loss) for the period	-	-	-	-	125	(21,476)	(21,351)
Balance, March 31, 2021	1,267,139	$ 3,867,771	$ $ 1,205,647	$ 332,000	$ 96,839	$ (5,710,234)	$ (207,977)
Comprehensive loss for the period	-	-	-	-	(4,421)	(95,241)	(99,662)
Balance, December 31, 2021	1,267,139	$ 3,867,771	$ $ 1,205,647	$ 332,000	$ 92,418	$ (5,805,475)	$ (307,639)
Comprehensive loss for the period	-	-	-	-	(182)	(36,559)	(36,741)
Balance, March 31, 2022	**1,267,139**	**$ 3,867,771**	**$ $ 1,205,647**	**$ 332,000**	**$ 92,236**	**$ (5,842,034)**	**$ (344,380)**

*Post 20:1 share consolidation

Effective May 7, 2021, the Company consolidated its common shares on the basis of one new common share for every twenty old common shares issued and outstanding at that time. All references to share and per share amounts in these consolidated financial statements have been retroactively restated to reflect the share consolidation.

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

PIMA ZINC CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

(Unaudited)

	Three months ended	
	March 31, 2022	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ **(36,559)**	$ (21,476)
Changes in assets and liabilities:		
Accounts payable and accrued liabilities	**36,856**	21,305
Cash provided (used) by operating activities	**297**	(171)
Effect of foreign exchange translation	**(182)**	125
Increase (decrease) in cash	**115**	(46)
Cash, beginning of period	**10,600**	11,181
Cash, end of period	$ **10,715**	$ 11,135

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

General

Pima Zinc Corp (hereinafter "Pima" or "the Company") was incorporated under the laws of the State of Idaho in 1916. After several decades of dormancy, the Company reorganized in 1997 as an exploration stage company focused on evaluating, acquiring and exploring mineral prospects with potential for economic deposits. In 2011, the Company was re-domiciled to the Cayman Islands. The Company filed a continuation application to continue out of the Cayman Islands under the provisions of the of the *Companies Law* (2020 Revision) and into the Province of British Columbia under the provisions of the *Business Corporations Act* (British Columbia) (the "Continuance"). The Continuance became effective on June 25, 2021. The Company's head office is located at 401 – 217 Queen Street West, Toronto, ON M5V 0R2.

1. NATURE OF OPERATIONS AND GOING CONCERN

At March 31, 2022, the Company had working capital deficiency of $344,380 (December 31, 2021 – $307,639) and had not yet achieved profitable operations, had accumulated losses of $5,842,034 (December 31, 2021 - $5,805,475) and expects to incur further losses in the development of its business, all of which raises substantial doubt upon the Company's ability to continue as a going concern. Pima will require additional financing in order to operate and meet its ongoing levels of corporate overhead and discharge its liabilities as they come due.

These condensed interim consolidated financial statements have been prepared on a going-concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption were not used then the adjustments required to report Pima's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

The COVID-19 pandemic has not resulted in any material impact on operations and the Company currently does not expect it will impact its 2022 operations. Preventative measures are in place to ensure the well-being of employees and contractors and no risks were noted at the end of the year. Management continues to monitor the situation at the site and corporate office to identify any issues that may affect operational or financial reporting activities.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated financial statements are unaudited and have been prepared on a condensed basis in accordance with the International Accounting Standard 34, Interim Financial Reporting, issued by the International Accounting Standards Board and interpretations of the International Financial Interpretations Committee using accounting policies consistent with International Financial Reporting Standards ("IFRS"). These condensed interim consolidated financial statements for the three months ended March 31, 2022 and 2021 should be read together with the annual financial statements as at and for the year ended December 31, 2021. The same accounting policies and methods of computation were followed in the preparation of these interim condensed financial statements as were followed in the preparation of and as described in note 3 of the annual financial statements as at and for the year ended December 31, 2021.

These condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on May 10, 2022.

2. BASIS OF PREPARATION (continued)

2.2 Basis of presentation

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at amortized cost.

2.3 Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned and controlled operating subsidiaries, 1139432 B.C. Ltd and 1139432 Nevada Ltd. The financial statements of its subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All significant inter-company transactions and balances have been eliminated on consolidation. All references to the Company should be treated as references to the Company and its subsidiaries.

2.4 Critical Accounting Estimates, Judgments, and Assumptions

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant areas of estimation uncertainty considered by management in preparing the condensed interim consolidated financial statements are as follows:

(i) Stock-based compensation expense:
The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate stock-based compensation expense. The Black-Scholes model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense.

(ii) Valuation of warrants:
The Company uses the Black-Scholes option pricing model to calculate the value of warrants issued as part of the Company's private placements. The Black-Scholes model requires six key inputs to determine a value for a warrant: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrant or a higher volatility number used would result in an increase in the warrant value.

(Expressed in US dollars)

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

The following is an aged analysis of the trade and other payables:

	March 31, 2022	December 31, 2021
Trade payables	**$ 227,396**	$ 203,040
Accrued liabilities	**127,699**	115,199
	$ 355,095	$ 318,239

4. CAPITAL STOCK

Share Capital

Pima is authorized to issue an unlimited number of common shares. The issued and outstanding common shares at March 31, 2022 consist of the following:

	Number	Amount ($)
Balance at March 31, 2022 and December 31, 2021	**1,267,139**	**3,867,771**

On May 7, 2021, the Company amended its memorandum of association to consolidate all of the issued and outstanding ordinary shares ("Shares") of the Company by changing each block of twenty (20) pre-consolidation Shares of the Company into one (1) post-consolidation Share of the Company (the "Consolidation"), resulting in the previously outstanding Shares of the Company being consolidated into 1,267,139 Shares. No fractional Shares will be issued pursuant to the Consolidation and any fractional Shares that would have otherwise been issued have been rounded down to the nearest whole number. The Consolidation was approved by the members of the Company at the Annual and Special General Meeting of Shareholders held on February 8, 2021.

Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the period ended March 31, 2022:

	Number	Weighted-Average Exercise Price
Balance at December 31, 2020	**573,153**	**$1.65**
Expired	**(370,000)**	**$2.00**
Balance at March 31, 2022 and December 31, 2021	**203,153**	**$1.00**

(Expressed in US dollars)

4. CAPITAL STOCK (continued)

Warrants **(continued)**

Date of Grant	Warrants Granted	Exercise Price	Expiry Date
July 24, 2019	**203,153**	**$1.00**	July 24, 2022
	203,153		

The fair value of the warrants issued is determined using the Black-Scholes model for pricing options under the following assumptions:

Expected dividend yield	Nil
Risk free interest rate	1.80% to 1.83%
Expected volatility	198.81% - 202.96%
Expected life	2-3 years
Share price (CDN)	$1.00 - $2.00

Expected volatility is based on historical data.

5. SHARE BASED PAYMENTS

Pima established a stock option plan (“Plan”) to provide additional incentive to its officers, directors, employees and consultants in their effort on behalf of the Company in the conduct of its affairs. The Plan authorizes the granting of stock options to employees, directors and consultants and may not exceed 10% of the Company's issued and outstanding common shares. Options vest immediately and expire on the fifth anniversary from the date of issue unless otherwise specified.

As at March 31, 2022 and 2021, there are no stock options outstanding.

6. RESERVE FOR SHARE-BASED PAYMENTS

	March 31, 2022	December 31, 2021
Balance at beginning of period/year	**$ 332,000**	$ 332,000
Balance at end of period/year	**$ 332,000**	$ 332,000

7. RESERVE FOR WARRANTS

	December 31, 2021	December 31, 2021
Balance at beginning of period/year	**$ 1,205,647**	$ 1,205,647
Balance at end of period/year	**$ 1,205,647**	$ 1,205,647

8. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

During the three months ended March 31, 2022, $5,000 (2021 – $5,000) was charged for services by the Chief Executive Officer.

During the three months ended March 31, 2022, $5,000 (2021 – $5,000) was charged for services by the Chief Financial Officer.

These expenses have been measured at their exchange amount, being the amounts negotiated and agreed to by the parties to the transactions. As at March 31, 2022, $100,000 (December 31, 2021 - $90,000) of amounts due to related parties is included in accounts payable and accrued liabilities.

Management believes these transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. MANAGEMENT OF CAPITAL

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended March 31, 2022. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of capital stock, reserves, and accumulated deficit, which as at March 31, 2022 totaled a deficiency $344,380 (December 31, 2021 – $307,639).

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metals deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

10. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The Company has designated its cash as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level one measurement.

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two includes inputs that are observable other than quoted prices included in Level One.
- Level Three includes inputs that are not based on observable market data.

Cash is measured using Level One inputs.

As at March 31, 2022 and 2021, both the carrying and fair value amounts of the Company's cash, trade and other payables are approximately equivalent due to their short term nature.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit Risk
The Company is not exposed to major credit risk attributable to customers. Additionally, the majority of the Company's cash is held with a high rated Canadian financial institution in Canada.

Interest Rate Risk
The Company invests cash surplus to its operational needs in investment-grade short term deposits certificates issued by the bank where it keeps its Canadian and U.S. Bank accounts. The Company periodically assesses the quality of its investments with this bank and is satisfied with the credit rating of the bank and the investment grade of its short term deposits certificates. A change in the interest rate of 1% would cause interest income to change by less than $100 (December 31, 2021 - $100).

Foreign Currency Risk
The Company's funds are predominantly kept in Canadian dollars, with a major Canadian financial institution. As at March 31, 2022, the Company believes that it is not exposed to major foreign currency risks.

Liquidity Risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2022, the Company had current assets of $10,715 (December 31, 2021 - $10,600) and current liabilities of $355,095 (December 31, 2021 - $318,239). All of the Company's financial liabilities and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. The Company currently has a working capital deficiency of $344,380 (December 31, 2021 – $307,639).

11. PROPOSED TRANSACTION

On December 10, 2021, the Company entered into a non-binding letter of intent ("LOI") with Scryb Inc. (formerly Relay Medical Corp.) ("Scryb Inc."), pursuant to which the Company will acquire all of the issued and outstanding common shares in the capital of and Cybeats Technologies ("Cybeats") from Scryb (the "Proposed Transaction").

The completion of the Proposed Transaction contemplated by the LOI remains subject to the Company and Cybeats entering into a definitive agreement and approval of all regulatory and other approvals.

12. SUBSEQUENT EVENT

On April 21, 2022, the Company settled an aggregate of $285,000 of indebtedness to certain creditors of the Company through the issuance of 14,250,000 units in the capital of the Company (the "Units") at a price of $0.02 per Unit (the "Debt Settlement"). Each Unit is comprised of one common share (each, a “Common Share”) in the capital of the Company and one-half of one whole Common Share purchase warrant (each whole warrant, a “Warrant”) (the “Debt Securities”) in satisfaction of the Debt. Each Warrant will entitle the holder to acquire an additional Common Share at an exercise price of no less than $0.50 for a period of two years from the date of issuance.