ZEB NICKEL CORP.

(FORMERLY BLUE RHINO CAPITAL CORP.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2021

(Unaudited – Prepared by Management)

Expressed in Canadian Dollars

ZEB NICKEL CORP.
(FORMERLY BLUE RHINO CAPITAL CORP.)
Suite 507, 837 West Georgia Street
Vancouver, BC
V6C 3N6

November 29, 2021

MANAGEMENT DISCUSSION & ANALYSIS

This management's discussion & analysis ("MD&A") should be read in conjunction with our condensed interim financial statements and the accompanying notes for the nine months ended September 30, 2021, which were prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting and are filed on the SEDAR website: www.sedar.com.

All amounts in the financial statements and this MD&A are expressed in Canadian dollars, unless otherwise indicated.

FORWARD LOOKING INFORMATION

Forward-looking statements are necessarily based upon a number of factors and assumptions that, if untrue, could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such statements. Forward-looking statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the future price of precious and base metals, anticipated costs and the Company's ability to fund its programs, the Company's ability to carry on exploration and development activities, the timing and results of drilling programs, the discovery of mineral resources on the Company's mineral properties, the timely receipt of required approvals and permits, including those approvals and permits required for successful project permitting, construction and operation of projects, the costs of operating and exploration expenditures, the Company's ability to operate in a safe, efficient and effective manner, the Company's ability to obtain financing as and when required and on reasonable terms and the continuing impact of the COVID-19 pandemic and the resumption of business. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Known and unknown factors could cause actual results or events to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets; changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States of America, South Africa, or other countries in which the Company may, upon completion of the Transaction, carry on business; business opportunities that may be presented to, or pursued by the Company upon vi completion of the Transaction; the Company's ability to successfully integrate acquisitions; operating or technical difficulties in connection with business activities; the possibility of cost overruns or unanticipated expenses; employee relations; the risks of obtaining and renewing necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in the Company's credit rating; the occurrence of natural disasters, hostilities, acts of war or terrorism; and the ongoing global pandemic involving the novel coronavirus. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under the heading "Risk Factors". Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this MD&A. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this MD&A. All subsequent forward-looking information attributable to the Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. The Company does not undertake any obligation to release publicly any revisions to, or otherwise update, this forward-looking information to reflect events or circumstances that occur after the date of this MD&A or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

OVERVIEW

ZEB Nickel Corp. (formerly Blue Rhino Capital Corp). (the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 6, 2019. The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO" or "Offering") on the TSX Venture Exchange ("Exchange") as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange. On July 14, 2020, the Company completed its IPO and started trading on the Exchange under the symbol "RHNO.P".

On August 1, 2021, the Company completed the Transaction acquiring Zebediela (below). Upon completion of the Transaction, the Company continues to carry on the business of Zebediela as currently constituted, which is the exploration and development of mineral properties in South Africa. The Company's head office is Suite 507, 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6, Canada. The Company's registered and records office is located at 2200 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, Canada.

Immediately prior to completion of the Transaction, the Company also consolidated its issued and outstanding common shares on a 2.3:1 basis. This MD&A has been retrospectively adjusted to reflect the share consolidation. The Company also changed its name to ZEB Nickel Corp. and trades under the ticker symbol "ZBNI".

The condensed interim financial statements have been prepared in accordance with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has not generated any revenues and its continuing operations as intended are dependent upon its ability to raise further equity. These material uncertainties may cast significant doubt on the entity's ability to continue as a going concern. The condensed interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business. Such adjustments could be material.

The Company may face risks related to COVID-19, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. In December 2019, a novel strain of the coronavirus emerged in China, and the virus has now spread globally, including Canada, resulting in a global pandemic. The extent to which COVID-19 will impact the Company's business, including its business and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Company's business, including, without limitation, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, and other factors that will depend on future developments beyond the Company's control, which may have a material and adverse effect on the its business, financial condition and results of its business. There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. In addition, a significant outbreak of COVID-19 could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the Company's future prospects.

REVERSE TAKE-OVER ("RTO")

On August 1, 2021, the Company completed the acquisition of Zebediela, by way of issuing 41,000,000 common shares of the Company to the shareholders of Zebediela ("The Transaction"). As a result, the shareholders of Zebediela acquired control of the Company, thereby constituting an RTO. The Transaction is considered a purchase of the Company's net assets by the Zebediela Shareholders. The Transaction is accounted for in accordance with guidance provided in IFRS 2, Share-Based Payment as the Company did not qualify as a business according to the definition in IFRS 3, Business Combinations. For RTO accounting purposes, the Transaction is recognized as if Zebediela had proceeded to issue the Company's shares outstanding before the Transaction in exchange for the net assets acquired. The fair value of the 2,347,828 common shares of the Company was determined to be $0.25 per common share, based on the fair value at August 1, 2021.

Consideration paid:	$
Fair value of Blue Rhino common shares	$ 586,957
Fair value of Blue Rhino agent warrants *	36,800
Fair value of Blue Rhino options **	49,200
Total consideration paid	**$ 672,957**
Identifiable assets acquired:	
Cash	$ 183,664
Trade and other payables	(16,682)
Net assets acquired	**$ 166,982**
Unidentifiable assets acquired:	
Share listing expense	**$ 505,975**
Total net identifiable assets and share listing costs	**$ 672,957**

* The fair value of agent warrants were valued using the Black-Scholes options pricing model using the following inputs:

- 150% volatility; 0.28% risk-free interest rate; $0.25 fair value; $0.10 exercise price, 2 year expected life; 0% expected dividend rate.

** The fair value of options were valued using the Black-Scholes options pricing model using the following inputs:

- 150% volatility; 0.54% risk-free interest rate; $0.25 fair value; $0.10 exercise price, 10 year expected life; 0% expected dividend rate.

MINERAL PROPERTY, SOUTH AFRICA

The Company controls the rights to a project located in the Limpopo Province in the Republic of South Africa, near the platinum mining town of Mokopane. The Project comprises various portions of the farms Uitloop 3 KS, Amatava 41 KS, Bloemhof 4 KS and Piet Potgietersrust Town and Townlands 44 KS, and is located approximately 9 km northeast of the town of Mokopane, in the Mogalakwena Local, and Waterberg District Municipalities of the Limpopo Province, South Africa. The project consists of three prospecting areas, which have now been amalgamated into a single area by a mining right application that is currently being processed by the DMRE (submitted on July 26, 2019) (the "Mining Right Application").

Additional details about the project can be found on the Company website https://zebnickel.com/ and in the Filing Statement and Technical Report (NI-43-101) filed on www.sedar.com on July 31, 2021.

SUMMARY OF QUARTERLY RESULTS

The Company was incorporated on November 6, 2020, comparative figures prior to that are not available. The following is a summary of the Company's financial results for the most recently completed quarters which have been prepared using accounting policies consistent with IFRS:

Quarterly period ended	Sep 30 2021 $	Jun 30 2021 $	Mar 31 2021 $	From the date of Incorporation on November 6, 2020 to Dec 31, 2020 $
Net revenues	Nil	Nil	Nil	Nil
Net loss for period				
Total	(669,280)	Nil	Nil	(1,006,490)
Per share	(0.02)	(0.00)	(0.00)	(0.00)

RESULTS OF OPERATIONS

Nine months ended September 30, 2021

The Company incurred listing costs of $658,475 relating to the RTO. Other costs on the statement of loss, resulting in a total loss of $669,280 for the period ended September 30, 2021, are related to the activities of running the Company subsequent to the completion of the RTO.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2021, we reported cash of $2,333,181 (December 31, 2020 - $Nil), and working capital of $2,100,707.

The Company incurred a loss of $669,280 for the period ended September 30, 2021. As the Company was incorporated in November 2020 there are no comparatives available. Material uncertainties as mentioned above cast significant doubt upon the Company's ability to continue as a going concern.

During the period ended September 30, 2021, the Company:

- acquired all of the issued and outstanding of Zebediela for 41,000,000 common shares of the Company.
- issued 11,200,000 common shares at a price of $0.25 per Receipt for gross proceeds of $2,800,000. The Company paid $119,290 as share issuances costs with in connection to this financing.
- issued 250,000 common shares to a director of the Company as finder's fee in connection of the RTO.
- issued 86,958 common shares pursuant to exercise of options for gross proceeds of $20,000 and allocated $49,200 from contribution surplus to share capital.

The numbers included in this MD&A came from the financial statements that were prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. If the going concern assumption was not appropriate for the financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported expenses, and the financial statement classifications used. Such adjustments could be material.

RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers and Board of Director members.

During the period ended September 30, 2021, the Company paid or accrued:

i) $10,000 in management fees to the CEO.

ii) $10,000 in professional fees to an accounting firm in which the CFO has an interest.

iii) $2,000 in consulting fees to a director.

iv) $63,829 in exploration expenditures, relating to field work, administration and other, to a corporation who has an officer who is also a director of the Company.

At September 30, 2021, the Company had $135,829 in accounts payable relating to amounts owed to officers of the Company.

During the period ended September 31, 2021, the Company recorded listing expenses of $112,500 (2020 - $Nil) related to $50,000 accrued cash costs and $62,500 in common shares issued to a director in consideration for facilitating the negotiation and completion of the Transaction (Note 3).

DIRECTORS AND OFFICERS

Our Board of Directors are as follows:

John Zorbas
Wayne Isaacs
Richard Montjoie
Tom Panoulias
Anton Drescher
Gregory McKenzie
Jay Vieira

Our officers are:

Wayne Isaacs	*Chief Executive Officer*
David Cross	*Chief Financial Officer*

SHARE CAPITAL

As at November 29, 2021, the Company had the following outstanding:

Common shares: 54,884,826 outstanding

Stock Options:

Options Outstanding	Exercise Price	Expiry Date
2,785,000	$0.25	9-Nov-25

Warrants:

Warrants Outstanding	Exercise Price	Expiry Date
86,958	$0.23	14-July-22

FUTURE ACCOUNTING PRONOUNCEMENTS

Please refer to the Condensed Interim Financial Statements on www.sedar.com.

FINANCIAL INSTRUMENTS

Please refer to the Condensed Interim Financial Statements on www.sedar.com.

CAPITAL MANAGEMENT AND FINANCIAL RISK FACTORS

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the completion of a Qualifying Transaction. 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.

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 September 30, 2021. The Company is not currently subject to externally imposed capital requirements.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk
Credit risk is the risk of loss associated with counterparty's inability to fulfil its obligations. The Company's management believes it has no significant credit risk as its cash is held with a major Canadian financial institution

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 September 30, 2021, the Company had cash of $2,333,181 (December 31, 2020 - $Nil) to settle current liabilities of $232,474 (December 31, 2020 - $1,120,911) and long-term payables of $748,320 (December 31, 2020 - $Nil).

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates prices. The Company is not exposed to any significant market risk

As at September 31, 2021, the carrying and fair value amounts of cash, accounts payable and accrued liabilities are approximately the same because of the short term nature of these instruments.

GENERAL RISKS

Issuance of Securities
The Company may issue equity securities to finance its activities, including to finance acquisitions. If the Company were to issue additional common shares, existing holders of such shares may experience dilution. Moreover, if the Company's intention to issue additional equity securities becomes publicly known, the Company's share price may be materially adversely affected.

Shareholder Influence
One shareholder ("URU") owns approximately 74.82% of the Company's shares on a non-diluted basis. URU may therefore be in a position to exercise significant influence over all matters requiring shareholder approval, including the election of directors, determination of significant corporate actions, amendments to the Company's articles of incorporation and the approval of any business combinations, mergers or takeover attempts, in a manner that could conflict with the interests of other shareholders. URU can exert more influence over the Company during shareholder votes than other shareholders. As a result, the Company will be controlled by URU, whose interests may be different from those of the other shareholders. Where certain transactions, require the approval of

shareholders, though URU may not be able to unilaterally authorize the transaction they may be able to unilaterally block it. This concentration of ownership and voting power may also delay, defer or prevent an acquisition by a third party or other change of control of URU and may make some transactions more difficult or impossible without the support of URU even if they are in the best interests of the shareholders. Collectively, these considerations may have a negative effect on the price of the Company's Shares. URU's interests may not be fully aligned with those of the other shareholders which, given URU's power and influence, could lead to actions that are not in the best interests of the other shareholders. For example, URU may have a different tax position from the other shareholders, which could influence its decisions regarding whether and when the Company should dispose of assets or incur new, or refinance existing, indebtedness. URU might also be motivated to take actions to retain its controlling stake in the Company at the expense of maximizing the overall value of the Company. URU's fiduciary duties and the consent rights of the shareholders may serve as a check on any such motivation, but shareholders cannot be assured that the potential divergence of URU's interests and theirs might not hurt the value of the Company Shares.

Competitive Conditions

The Company will actively compete for resource acquisitions, exploration leases, licenses and concessions and skilled industry personnel with a substantial number of other mining companies, many of which have significantly greater financial resources than the Company. The Company's competitors will include major integrated mining companies and numerous other independent mining companies and individual producers and operators.

Reliance Upon Management

The Company will be dependent upon the continued support and involvement of its principals and management. Should the Company lose the services of one or more of the principals or management, the ability of the Company to achieve its objectives could be adversely affected.

Title to Properties

The Company will diligently investigate all title matters concerning the ownership of all mining claims and plans to do so for all new claims and rights to be acquired. Any newly acquired options entitling the Company to acquire mining properties may be affected by undetected defects in title, such as the reduction in size of the mining titles and other third party claims affecting the Company's interests. Maintenance of such interests is subject to ongoing compliance with the terms governing such mining titles. Mining properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company does not have title to any of its mining properties could cause the Company to lose any rights to explore, develop and extract any ore on that property, without compensation for its prior expenditures relating to such property.

Conflicts of Interest

The Board of Directors may become directors of other reporting companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the Board of Directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Company and the Board of Directors will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board of Directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA. The provisions of the BCBCA require a director or officer of a corporation who has a material interest in a contract or transaction of the corporation, or a director or officer of a corporation who is a director or officer of or has a material interest in a Person who has a material interest in a contract or transaction with the corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Permits and Licences

The operations of the Company will require licences and permits from various governmental and nongovernmental authorities. The Company will obtain all necessary licences and permits required to carry on with activities which it proposes to conduct under applicable laws and regulations. However, such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development and extraction operations on its mining properties. See Part III: "Information concerning the Project".

<u>Environmental and other Regulatory Requirements</u>

Environmental and other regulatory requirements will affect the future operations of the Company, including exploration and development activities and commencement of production on the Company's mining properties. Such projects will require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing exploration, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. Companies engaged in the development and operation of mines and related facilities often experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the Company's mining properties and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of ore extraction facilities at the Company's mining properties on terms which enable operations to be conducted at economically justifiable costs. See Part III: "Information concerning the Project". Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

<u>Political Regulatory Risks</u>

Any changes in government policy may result in changes to laws affecting ownership of assets, exploration policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

In recent years, the securities markets in the United States and Canada, and the Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Company Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

<u>Liquidity</u>

The Company cannot predict at what prices the Company Shares will trade upon completion of the Transaction, and there can be no assurance that an active trading market in the Company Shares will develop or be sustained. Acceptance of the Exchange has not yet been obtained. There is a significant liquidity risk associated with an investment in the Company Shares. Dividends At the present time it is unlikely shareholders will receive a dividend on the Company Shares.

MINING RELATED RISKS

<u>No Known Mineral Reserves or Mineral Resources</u>

There are no known bodies of commercial minerals on the Project. The exploration programs undertaken and proposed constitute an exploratory search for mineral resources or programs to qualify identified mineralization as mineral resources. There is no assurance that the Company will be successful in its search for mineral resources and mineral reserves.

Exploration Risks

The Project is in early exploration stages and is without a known body of commercially exploitable ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. The discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body will be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, most of which factors are beyond the control of the Company and may result in the Company not receiving adequate return on investment capital.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountant of Canada for a review of interim financial statements by an entity auditor.

ZEB NICKEL CORP. (FORMERLY BLUE RHINO CAPITAL CORP.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars
(Unaudited – Prepared by Management)

	September 30, 2021	December 31, 2020
ASSETS		
Current		
Cash	$ 2,333,181	$ -
Commodity tax receivable	6,557	-
Prepaid	5,292	-
	2,345,030	-
Exploration and evaluation assets (Note 4)	4,307,380	4,025,640
	$ 6,652,410	$ 4,025,640
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 232,474	$ 1,120,911
Long-term payable (Note 5)	748,320	-
	980,794	1,120,911
Shareholders' Equity		
Share capital (Note 6)	7,310,586	3,911,219
Contributed surplus (Note 6)	36,800	-
Deficit	(1,675,770)	(1,006,490)
	5,671,616	2,904,729
	$ 6,652,410	$ 4,025,640

On behalf of the Board:

"Anton J. Drescher" Director *"Wayne Isaacs"* Director

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

ZEB NICKEL CORP. (FORMERLY BLUE RHINO CAPITAL CORP.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Expressed in Canadian Dollars
(Unaudited – Prepared by Management)
For the nine-month period ended September 30, 2021

EXPENSES		
Bank fees	$	383
Consulting fees		5,719
Filling and regulatory fees		2,387
Listing expenses		658,475
Management fees		10,000
Office		1,515
Professional fees		31,912
Transfer agent fees		2,558
Loss before other item		(712,949)
OTHER ITEM		
Foreign exchange gain		43,669
Loss and comprehensive loss for the period	$	(669,280)
Basic and diluted loss per common share	$	(0.02)
Weighted average number of common shares outstanding		40,355,917

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

ZEB NICKEL CORP. (FORMERLY BLUE RHINO CAPITAL CORP.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Expressed in Canadian Dollars
(Unaudited – Prepared by Management)

	Number of shares		Share capital		Contributed surplus		Deficit		Total
November 6, 2020	-	$	-	$	-	$	-	$	-
Share issued on incorporation	120		3,911,219		-		-		3,911,219
Loss for the period	-		-		-		(1,006,490)		(1,006,490)
December 31, 2020	120		3,911,219		-		(1,006,490)		2,904,729
Shares of the Company on RTO	2,347,828		586,957		-		-		586,957
Eliminate shares of Zebediela	(120)		-		-		-		-
Shares issued to shareholders of Zebediela	41,000,000		-		-		-		-
Private placement	11,200,000		2,800,000		-		-		2,800,000
RTO finder's fee	250,000		62,500		-		-		62,500
Revaluation of options on RTO	-		-		86,000		-		86,000
Exercise of options	86,958		69,200		(49,200)		-		20,000
Share isssuance costs	-		(119,290)		-		-		(119,290)
Loss for the period	-		-		-		(669,280)		(669,280)
September 30, 2021	54,884,906	$	7,310,586	$	36,800	$	(1,675,770)	$	5,671,616

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

ZEB NICKEL CORP. (FORMERLY BLUE RHINO CAPITAL CORP.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars
(Unaudited – Prepared by Management)

	For the Nine Month Period Ended September 30, 2021
Cash provided by (used in):	
OPERATING ACTIVITIES	
Net loss for the period	$ (669,280)
Item not affecting cash:	
Listing expenses	568,475
Changes in non-working capital items:	
Commodity tax receivable	(6,557)
Prepaid	(5,292)
Accounts payable and accrued liabilities	(360,538)
Net cash used in operating activities	(473,192)
INVESTING ACTIVITIES	
Exploration and evaluation costs	(78,001)
Cash received on acquisition (Note 3)	183,664
Net cash provided by financing activities	105,663
FINANCING ACTIVITIES	
Share issuance proceeds	2,820,000
Share issuance costs	(119,290)
Net cash provided by financing activities	2,700,710
Change in cash for the period	2,333,181
Cash, beginning of period	-
Cash, end of period	$ 2,333,181

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

1. NATURE OF BUSINESS AND GOING CONCERN

ZEB Nickel Corp. (formerly Blue Rhino Capital Corp). (the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 6, 2019. The Company was formed for the primary purpose of completing an Initial Public Offering ("IPO" or "Offering") on the TSX Venture Exchange ("Exchange") as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange. On July 14, 2020, the Company completed its IPO and started trading on the Exchange under the symbol "RHNO.P".

On August 1, 2021, the Company completed the Transaction acquiring Zebediela (Note 3) thereby completing its Qualifying Transaction.. Upon completion of the Transaction, the Company continues to carry on the business of Zebediela as currently constituted, which is the exploration and development of mineral properties in South Africa. The Company's head office is Suite 507, 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6, Canada. The Company's registered and records office is located at 2200 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, Canada.

Immediately prior to completion of the Transaction, the Company also consolidated its issued and outstanding common shares on a 2.3:1 basis. These condensed interim consolidated financial statements have been retrospectively adjusted to reflect the share consolidation. The Company also changed its name to ZEB Nickel Corp. and trades under the ticker symbol "ZBNI".

These condensed interim financial statements have been prepared in accordance with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has not generated any revenues and its continuing operations as intended are dependent upon its ability to raise equity. These material uncertainties may cast significant doubt on the entity's ability to continue as a going concern. The condensed interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue business. Such adjustments could be material.

COVID-19 (the coronavirus) has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company's financing capabilities. The extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the virus. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these financial statements, these conditions could have a significant adverse impact on the Company's financial position and results of operations for future periods.

Expressed in Canadian Dollars

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Basis of presentation

The condensed interim consolidated financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended January 31, 2021.

The condensed interim consolidated financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

The policies applied in the condensed interim consolidated financial statements are presented below and are based on IFRS' issued and outstanding as of November 29, 2021, the date the Board of Directors approved the condensed interim consolidated financial statements. Any subsequent changes to IFRS that are given effect in our annual consolidated financial statements for the year ending January 31, 2022 could result in restatements of these condensed interim consolidated financial statements. None of these standards are expected to have a significant effect on the condensed interim consolidated financial statements.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries:

Name of Subsidiary	Place of Domicile	Percentage Ownership
Zebediela Nickel Company (PTY) Ltd. ("Zebediela")	South Africa	100%
Umnex Minerals Limpopo (Pty) Ltd.	South Africa	74%
Lesego Platinum Uitloop (Pty) Ltd.	South Africa	67%

All transactions and balance between the Company and its subsidiaries are eliminated on consolidation.

Estimates, judgments and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continually 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. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

<u>Significant Judgment</u>

- Going concern - The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Estimates, judgments and assumptions (continued)

Significant Estimate

- Share-based compensation - The fair value of stock options granted are measured using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the option, expected volatility, expected life of the options, expected dividends and the risk-free rate. The Company estimates volatility based on historical share price of comparable companies, excluding specific time frames in which volatility was affected by specific transactions that are not considered to be indicative of the entities' expected share price volatility. The expected life of the options is based on historical experience and general option holder behaviour. Dividends were not taken into consideration as the Company does not expect to pay dividends.

Financial instruments

The Company classifies all financial instruments as fair value through profit or loss ("FVTPL"), financial assets at fair value through other comprehensive income ("FVTOCI"), financial assets/liabilities at amortized cost. Management determines the classification of its financial assets and liabilities at initial recognition.

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. The Company classifies cash as FVTPL.

Financial assets at amortized cost are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the financial asset.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on de-recognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost.

Financial instruments that are measured at fair value use inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company's financial instruments classified as Level 1 are cash and accounts payable and accrued liabilities. Their carrying values approximate fair value due to their short-term maturity.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share Capital

Instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of financial liability or financial asset. The Company’s common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

Expressed in Canadian Dollars

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Share-based compensation

The Company records all share-based compensation at fair value. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized through profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received.

When the value of goods or services received in exchange for the share-based compensation cannot be reliably estimated, the fair value is measured by use of a valuation model.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options, agent options and warrants, share capital is recorded for the consideration received and for the fair value amounts previously recorded to share-based payments reserve. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based compensation.

Options and warrants issued as consideration in connection with common share placements are recorded at their fair value on the date of issuance as share issuance costs.

3. REVERSE TAKE-OVER (“RTO”)

On August 1, 2021, the Company completed the acquisition of Zebediela, by way of issuing 41,000,000 common shares of the Company to the shareholders of Zebediela (“The Transaction“). As a result, the shareholders of Zebediela acquired control of the Company, thereby constituting an RTO. The Transaction is considered a purchase of the Company’s net assets by the Zebediela Shareholders. The Transaction is accounted for in accordance with guidance provided in *IFRS 2, Share-Based Payment* as the Company did not qualify as a business according to the definition in *IFRS 3, Business Combinations.* For RTO accounting purposes, the Transaction is recognized as if Zebediela had proceeded to issue the Company’s shares outstanding before the Transaction in exchange for the net assets acquired. The fair value of the 2,347,828 common shares of the Company was determined to be $0.25 per common share, based on the fair value at August 1, 2021.

Consideration paid:	$
Fair value of Blue Rhino common shares	$ 586,957
Fair value of Blue Rhino agent warrants *	36,800
Fair value of Blue Rhino options **	49,200
Total consideration paid	**$ 672,957**
Identifiable assets acquired:	
Cash	$ 183,664
Trade and other payables	(16,682)
Net assets acquired	**$ 166,982**
Unidentifiable assets acquired:	
Share listing expense	**$ 505,975**
Total net identifiable assets and share listing costs	**$ 672,957**

* The fair value of agent warrants were valued using the Black-Scholes options pricing model using the following inputs:

- 150% volatility; 0.28% risk-free interest rate; $0.25 fair value; $0.10 exercise price, 2 year expected life; 0% expected dividend rate.

** The fair value of options were valued using the Black-Scholes options pricing model using the following inputs:

- 150% volatility; 0.54% risk-free interest rate; $0.25 fair value; $0.10 exercise price, 10 year expected life; 0% expected dividend rate.

Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS

The Company controls the rights to a mining project located in the Limpopo Province in the Republic of South Africa.

Balance December 31, 2020	$ 4,025,640
Additions	
Drilling	183,265
Field work, administration and other	98,475
Balance September 30, 2021	$ 4,307,380

5. LONG TERM PAYABLE

Upon completion of the Transaction, $748,320 (US$600,000) of accounts payable was converted into a non-interest bearing long-term promissory note payable maturing 18 months after the completion of the acquisition (Note 3).

6. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued and outstanding

During the period ended September 30, 2021, the Company:

- issued 41,000,000 common shares pursuant to the RTO (Note 3).
- issued 11,200,000 common shares at $0.25 for gross proceeds of $2,800,000. The Company paid $119,290 as share issuance costs.
- issued 250,000 common shares to a director of the Company as finder's fee in connection with the RTO (Note 3).
- issued 86,958 common shares pursuant to the exercise of options for gross proceeds of $20,000, and accordingly, allocated $49,200 from contribution surplus to capital stock.

During the year ended December 31, 2020, the Company:

- issued 120 common shares with a value of $3,911,219 at the date of incorporation.

Escrow shares

At September 30, 2021, the Company had 39,789,673 shares held in escrow.

Stock option plan

The Company has a stock option plan in place under which it is authorized to grant options to directors, senior officers, employees, management company employees, and consultants to acquire up to 10% of the issued and outstanding common shares. Under the plan, the maximum issuance in any 12-month period is limited for any consultant or person providing investor relations services to 2%, and 5% for any other participant. The exercise price of the shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange. The options can be granted for a maximum term of ten years. Options issued for investor relations services will be subject to a vesting schedule of at least 12 months whereby no more than 25% of the options granted may vest within any three-month period. All other vesting terms are determined by the Board of Directors.

Expressed in Canadian Dollars

6. CAPITAL STOCK (CONTINUED)

Stock options

During the period ended September 30, 2021, 86,958 stock options were exercised resulting in $49,200 being reallocated from contributed surplus to share capital.

A summary of the Company's stock option activity is as follows:

	Options	Weighted Average Exercise Price
Balance, December 31, 2020	-	$ -
Additions on acquisition (Note 3)	86,958	0.23
Exercised	(86,958)	0.23
Balance, September 30, 2021	-	$ -
Exercisable, September 30, 2021	-	$ -

Warrants

A summary of the Company's warrant activity is as follows:

	Warrants	Weighted Average Exercise Price
Balance, December 31, 2020	-	$ -
Additions on acquisition (Note 3), exercisable until July 14, 2022	86,958	0.23
Balance, September 30, 2021	86,958	$ 0.23
Exercisable, September 30, 2021	86,958	$ 0.23

7. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers and Board of Director members.

During the period ended September 30, 2021, the Company paid or accrued:

i) $10,000 in management fees to the CEO.
ii) $10,000 in professional fees to an accounting firm in which the CFO has an interest.
iii) $2,000 in consulting fees to a director.
iv) $63,829 in exploration expenditures, relating to field work, administration and other, to a corporation who has an officer who is also a director of the Company.

At September 30, 2021, the Company had $135,829 in accounts payable relating to amounts owed to officers of the Company.

During the period ended September 31, 2021, the Company recorded listing expenses of $112,500 (2020 - $Nil) related to $50,000 accrued cash costs and $62,500 in common shares issued to a director in consideration for facilitating the negotiation and completion of the Transaction (Note 3).

8. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. There were no changes in the Company's approach to capital management during the period ended September 30, 2021.

9. FINANCIAL RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Cash and accounts payable and accrued liabilities are carried at a fair value using a level 1 fair value measurement. The carrying value of these financial instruments approximate their fair values due to the short-term nature of the instruments.

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfil its obligations. The Company's management believes it has no significant credit risk as its cash is held with a major Canadian financial institution.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At September 30, 2021, the Company had a cash balance of $2,333,181 (December 31, 2020 - $Nil), and $232,474 (December 31, 2020 - $1,120,911) of accounts payable and accrued liabilities. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subjected to normal trade terms.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates prices. The Company is not exposed to any significant market risk at September 30, 2021.

10. SEGMENTED INFORMATION

The Company's operations comprise a single reporting segment. As the operations comprise a single reporting segment, amounts disclosed in the financial statements for expenses and loss for the period also represent segmented amounts.

All of the Company's exploration and evaluation assets are in South Africa.

11. SUBSEQUENT EVENT

Subsequent to September 30, 2021, the Company granted 2,785,000 stock options to directors, officers, consultants and services providers exercisable at $0.25 with an expiry date of November 9, 2025.