

**ZEPHYR MINERALS LTD.**  
**(An Exploration Stage Company)**

**Unaudited Condensed Consolidated Interim Financial Statements**  
**(Expressed in Canadian dollars)**

**Unaudited – Prepared by Management**

**Notice of disclosure of non-auditor review of condensed consolidated interim financial statements pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.**

**The accompanying condensed consolidated interim financial statements of the Company for the period ended March 31, 2019, have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or a review of these condensed consolidated interim financial statements.**

**ZEPHYR MINERALS LTD.**  
**(An Exploration Stage Company)**  
**Unaudited Condensed Consolidated Interim Statements of Financial Position**  
**(Expressed in Canadian dollars)**

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 155,262	\$ 101,291
Accounts receivable (note 3)	15,828	18,372
Prepaid expenses and deposits	169,589	128,339
	340,679	248,002
<b>Exploration and evaluation assets (note 4)</b>	<b>3,914,435</b>	<b>3,880,865</b>
	\$ 4,255,114	\$ 4,128,867
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 5)	\$ 89,019	\$ 90,615
<b>Long Term</b>		
Reclamation obligation	32,617	32,617
<b>Shareholders' Equity</b>		
<b>Share Capital</b> (note 6)	5,934,971	5,763,288
<b>Share-based payments reserve</b>	1,724,034	1,627,802
<b>Deficit</b>	(3,525,527)	(3,385,455)
	4,133,478	4,005,635
	\$ 4,255,114	\$ 4,128,867

***Basis of presentation and going concern – Note 2***

Approved on behalf of the Board:

**David Felderhof**  
David Felderhof, Director

**Loren Komperdo**  
Loren Komperdo, Director

**ZEPHYR MINERALS LTD.**  
**(An Exploration Stage Company)**  
**Unaudited Condensed Consolidated Interim Statements of Operations and**  
**Comprehensive Loss**  
**For the Three Months Ended March 31**  
**(Expressed in Canadian dollars)**

	<b>2019</b>	<b>2018</b>
<b>Operating Expenses</b>		
Filing fees	\$ 8,994	\$ 9,075
Foreign exchange loss (gain)	75	2
Investor relations	23,253	15,792
Professional fees	6,681	6,169
General and administrative	1,220	2,341
Rent	2,072	2,074
Travel	7,056	3,383
Transfer agent	1,543	2,009
Salaries & Consulting	31,713	41,389
Share based payments	57,465	1,750
<b>Net Loss and Comprehensive Loss for the period</b>	<b>(140,072)</b>	<b>(83,984)</b>
<b>Weighted Average Number of Common Shares Outstanding – Basic</b>	<b>47,339,369</b>	<b>37,982,620</b>
<b>Loss Per Share – Basic</b>	<b>\$ (0.003)</b>	<b>\$ (0.002)</b>

**ZEPHYR MINERALS LTD.**  
**(An Exploration Stage Company)**  
**Unaudited Condensed Consolidated Interim Statements of Cash Flows**  
**For the Three Months Ended March 31**  
**(Expressed in Canadian dollars)**

	<b>2019</b>	<b>2018</b>
<b>Operating Activities</b>		
Net loss	\$ (140,072)	\$ (83,984)
Items not requiring an outlay of cash		
Share based payments	57,465	1,750
Net changes in non-cash working capital items		
Accounts receivable	2,544	29,916
Prepaid expenses	(41,250)	3,406
Accounts payable and accrued liabilities	(1,596)	105,145
<b>Cash Used in Operating Activities</b>	<b>(122,909)</b>	<b>56,233</b>
<b>Investing Activities</b>		
Expenditures on exploration and evaluation assets	(33,570)	(29,677)
<b>Cash Used for Investing Activities</b>	<b>(33,570)</b>	<b>(29,677)</b>
<b>Financing Activities</b>		
Issue of common shares net of share issue costs	210,450	-
<b>Cash Provided by Financing Activities</b>	<b>210,450</b>	<b>-</b>
<b>Net Change in Cash and Cash Equivalents for the Period</b>	<b>53,971</b>	<b>26,556</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>101,291</b>	<b>14,211</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 155,262</b>	<b>\$ 40,767</b>
<b>Non-cash financing and investing activities:</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Value of share based payments charged to exploration and evaluation assets	\$ -	\$ -
Value of brokers warrants issued	\$ 384	\$ -

**ZEPHYR MINERALS LTD.**  
**(An Exploration Stage Company)**  
**Unaudited Condensed Consolidated Interim Statements of Changes in**  
**Shareholders' Equity**  
**For the Three Months Ended March 31**  
**(Expressed in Canadian dollars)**

	Number of shares	Share Capital	Share-based payments reserve	Deficit	Total
		\$	\$	\$	\$
<b>January 1, 2018</b>	37,982,620	4,461,310	1,384,046	(2,981,124)	2,864,232
Share based payments		-	1,750	-	1,750
Shares issued in private placement	9,350,000	1,418,525	261,714	-	1,680,239
Share issue costs		(116,547)	(19,708)	-	(136,255)
Loss for period		-	-	(404,331)	(404,331)
<b>December 31, 2018</b>	47,332,620	5,763,288	1,627,802	(3,385,455)	4,005,635
Share based payments		-	57,465	-	57,465
Shares issued in private placement	1,410,000	172,795	39,089	-	211,884
Share issue costs		(1,112)	(322)	-	(1,434)
Loss for period		-	-	(140,072)	(140,072)
<b>March 31, 2019</b>	48,742,620	5,934,971	1,724,034	(3,525,527)	4,133,478

## **ZEPHYR MINERALS LTD.**

### **(An Exploration Stage Company)**

#### **Notes to the Unaudited Condensed Consolidated Interim Financial Statements**

#### **(Expressed in Canadian dollars)**

**Three Months ended March 31, 2019 and 2018**

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## **1. NATURE OF OPERATIONS**

Zephyr Minerals Ltd. and its wholly owned subsidiary, Zephyr Gold USA Ltd., (collectively, the "Company") is an exploration stage mining company. The Company is incorporated in Canada and is based in Nova Scotia, Canada. The Company's head office is located at 1301 - 1959 Upper Water St, Halifax, Nova Scotia Canada B3J 3N2.

The Company is a publicly listed company continued under the Canada Business Companies Act with limited liability under the laws of Canada. The Company's shares trade on the Toronto Stock Venture Exchange ("TSX-V").

## **2. BASIS OF PRESENTATION AND GOING CONCERN**

### **Basis of presentation**

These condensed consolidated financial statements, including comparatives, have been prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2018. These condensed consolidated financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements have been set out in the Company's consolidated financial statements for the year ended December 31, 2018. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2018 which are filed at [www.sedar.com](http://www.sedar.com)

### **Going Concern**

The Company holds a 100% interest in the Dawson-Green Mountain project in Colorado, USA. The eastern claims, which form the Dawson Gold section of Dawson-Green Mountain include an advanced gold project with exploration potential, and the west-central claims, which form the Green Mountain section, host potential for a Broken Hill-type zinc, lead and silver discovery. The Company's objective is to explore and evaluate these mineral claims to determine whether the property contains economic resources warranting a development program.

As at March 31, 2019, the Company has cash of \$155,262, working capital of \$251,660 and shareholders' equity of \$4,133,478. The Company's financial

## ZEPHYR MINERALS LTD.

### (An Exploration Stage Company)

#### Notes to the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Three Months ended March 31, 2019 and 2018

statements as at March 31, 2019 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business.

Management of the Company concluded that at March 31, 2019, the Company did not have sufficient funds to meet its minimum corporate, administrative and property obligations for the next 12 months. In order to alleviate the situation, the Company intends to raise additional capital. Currently the Company is required to make minimum annual payments of approximately US\$45770 to keep the Dawson-Green Mountain project in good standing. The Company's 2019 obligation was paid and recorded in the 2018 fiscal year. In assessing whether the going concern assumption is appropriate, management takes 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. In order to develop the Dawson-Green Mountain project, the Company will need to raise additional capital. If the Company is unable to raise additional capital in the future, the Company may need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

#### Approval of the financial statements

These consolidated financial statements were approved and authorized for issue by the Audit Committee and Board of Directors of the Company on May 30, 2019.

### 3. ACCOUNTS RECEIVABLE

	March 31, 2019	December 31, 2018
HST receivable	\$ 15,828	\$ 18,372
	\$ 15,828	\$ 18,372

**ZEPHYR MINERALS LTD.****(An Exploration Stage Company)****Notes to the Unaudited Condensed Consolidated Interim Financial Statements****(Expressed in Canadian dollars)****Three Months ended March 31, 2019 and 2018****4. EXPORATION AND EVALUATION ASSETS**

	<b>Dawson-Green Mountain</b>
	<b>\$</b>
<b>Acquisition Costs</b>	
<b>Balance as at January 1, 2018</b>	276,357
Additions	101,927
Impairment	-
<b>Balance as at December 31, 2018</b>	378,284
Additions	-
Impairment	-
<b>Balance as at March 31, 2019</b>	378,284
<b>Exploration</b>	
<b>Balance January 1, 2018</b>	2,572,435
Expenditures	930,146
<b>Balance December 31, 2018</b>	3,502,581
Expenditures	33,570
<b>Balance March 31, 2019</b>	3,536,151
<b>Carrying amount</b>	
As at December 31, 2018	3,880,865
As at March 31, 2019	3,914,435

**Dawson-Green Mountain Project**

On October 31, 2012 the Company announced it had closed a gold property acquisition with Celtic Minerals Ltd. ("Celtic Minerals") to purchase a 100% interest in the Dawson Gold project in Colorado, USA. The acquisition was done by way of a share purchase agreement, whereby Zephyr acquired 100% of Celtic Gold Ltd. ("Celtic Gold"), a Colorado company which holds title to the Dawson Gold project. Celtic Gold was subsequently renamed Zephyr Gold USA Ltd. ("Zephyr USA").

The Dawson Gold project is comprised of 57 unpatented lode mining claims, and eight patented lode mining claims and one patented placer claims. The Dawson Gold



## ZEPHYR MINERALS LTD.

### (An Exploration Stage Company)

#### Notes to the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Three Months ended March 31, 2019 and 2018

project contains five gold exploration areas which are, from east to west: the Sentinel zone, the Dawson zone, the Copper King zone, the Windy Gulch zone and the Windy Point zone. The Dawson Gold project is located in west-central Colorado, 9.5 km southwest of Canon City in Fremont County. Zephyr holds a 100% interest in the unpatented claims, and 50% interest in the eight patented claims, and a 50% interest in one patented placer claim.

The 50% of the eight patented lode mining claims not held by Zephyr is leased by Zephyr through a "Mining Lease and Agreement" which effectively gives Zephyr 100% control of the these claims. Twenty-one of the 57 unpatented claims, the eight patented lode mining claims and the 50% interest in the one patented placer claim are subject to a sliding scale Net Smelter Return ("NSR") whereby Zephyr agrees to pay up to a 3% NSR as contemplated in the Mining Lease and Agreement.

Zephyr USA is currently required to make annual advance royalty payments in terms of its Mining Lease and Agreement in the amount of US\$25,000 per year. These advance royalties can be applied in the future to reduce the actual production royalty expense incurred. The Company paid and recorded the 2019 obligation in fiscal 2018. To date Zephyr USA has made advance royalty payments totalling US\$454,000 which can be so applied. Zephyr USA is also obliged to make a payment of US\$90,000 in the event of embarking on an underground program.

In 2018, the Company expanded its holdings in west-central Colorado by acquiring 77 unpatented lode mining claims and one patented lode mining claim located to the west of Windy Point and forming the Green Mountain section of the, Dawson-Green Mountain project. The one patented claim was purchased for US\$25,000 in an arm-length transaction and the 77 unpatented lode-mining claims were acquired through staking; giving Zephyr 100% ownership.

In 2019, the Company entered into a mining lease agreement with the State of Colorado for a 259 hectare (640 acre) parcel of land, resulting in Zephyr controlling a mineralized trend that is over 12 km (7.5 miles) long. The Dawson-Green Mountain project now totals 1,388 hectares (3,430 acres). Under the terms of the mining lease agreement with the State of Colorado Zephyr USA is required to make annual payments of US1,920. Zephyr USA is required to make annual maintenance payments of \$155 to the state, for each for the unpatented claims.

## 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2019	December 31, 2018
Trade payables	\$ 71,747	\$ 65,051
Accrued liabilities	17,272	25,564
	\$ 89,019	\$ 90,615

## ZEPHYR MINERALS LTD.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars)

Three Months ended March 31, 2019 and 2018

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### 6. SHARE CAPITAL

Authorized capital consists of an unlimited number of common shares.

#### **Issuance of common shares in 2019**

On February 26, 2019 the Company completed a private placement through the issuance of 1,410,000 units at a price of \$0.15 per unit raising a total of \$211,500. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of \$0.20 per common share at any time on or before February 26, 2020. The Company valued the warrants and apportioned the share issue expenses incurred between the warrants value and the share value on a pro rata basis. In determining the value of the warrants, the fair value of the warrants issued were estimated using a Black-Scholes pricing model with the following weighted average assumptions used:

Risk-free interest rate	1.68%
Expected dividend yield	0.00%
Expected stock price volatility	68.68%
Expected life of warrants	1 year
Grant date fair value of warrant	\$0.055

The Company paid cash finder's fees of \$1,050 and issued 7,000 finder's fee warrants to a finder acting on behalf of the Company in connection with the placement. Each finder's fee warrant is exercisable into one common share of the Company at \$0.20 per share until expiry on February 26, 2020.

The finder's fee warrants were recorded at their fair value at time of issuance and shown as part of share issue costs netted against share capital. The terms and assumptions used were the same as those for the warrants above.

#### **Issuances of common shares in 2018**

On April 11, 2018 the Company completed a private placement through the issuance of 8,350,000 units at a price of \$0.18 per unit raising a total of \$1,503,000. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of \$0.30 per common share at any time on or before April 10, 2019. The Company valued the warrants and apportioned the share issue expenses incurred between the warrants value and the share value on a pro rata basis. In determining the value of the warrants, the fair value of the warrants issued were estimated using a Black-Scholes pricing model with the following weighted average assumptions used:

**ZEPHYR MINERALS LTD.****(An Exploration Stage Company)****Notes to the Unaudited Condensed Consolidated Interim Financial Statements****(Expressed in Canadian dollars)****Three Months ended March 31, 2019 and 2018**

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Risk-free interest rate	1.62%
Expected dividend yield	0.00%
Expected stock price volatility	61.84%
Expected life of warrants	1 year
Grant date fair value of warrant	\$0.051

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The Company paid cash finder's fees of \$85,490 and issued 474,950 finder's fee warrants to finders acting on behalf of the Company in connection with the placement. Each finder's fee warrant is exercisable into one common share of the Company at \$0.30 per share until expiry on April 10, 2019. The expiry date of the warrants may be accelerated by the Company at any time if the volume-weighted average trading price of the common shares is greater than or equal to \$0.375 for any 20 consecutive trading days. If this occurs, the Company may accelerate the expiry date of the warrants by issuing a press release announcing the reduced warrant term whereupon the warrants will expire on the 20<sup>th</sup> calendar day after the date of such press release.

The finder's fee warrants were recorded at their fair value at time of issuance and shown as part of share issue costs netted against share capital. The terms and assumptions used were the same as those for the warrants above.

On November 2, 2018 the Company completed a private placement through the issuance of 1,000,000 units at a price of \$0.15 per unit raising a total of \$150,000. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of \$0.20 per common share at any time on or before November 2, 2019. The Company valued the warrants and apportioned the share issue expenses incurred between the warrants value and the share value on a pro rata basis. In determining the value of the warrants, the fair value of the warrants issued were estimated using a Black-Scholes pricing model with the following weighted average assumptions used:

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Risk-free interest rate	2.1%
Expected dividend yield	0.00%
Expected stock price volatility	56.54%
Expected life of warrants	1 year
Grant date fair value of warrant	\$0.0431

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**ZEPHYR MINERALS LTD.****(An Exploration Stage Company)****Notes to the Unaudited Condensed Consolidated Interim Financial Statements****(Expressed in Canadian dollars)****Three Months ended March 31, 2019 and 2018**

The Company paid cash finder's fees of \$10,500 and issued 70,000 finder's fee warrants to finders acting on behalf of the Company in connection with the placement. Each finder's fee warrant is exercisable into one common share of the Company at \$0.20 per share until expiry on November 2, 2019.

The finder's fee warrants were recorded at their fair value at time of issuance and shown as part of share issue costs netted against share capital. The terms and assumptions used were the same as those for the warrants above.

**Warrants**

A summary of the change in warrants for the periods ended March 31, 2019 and December 31, 2018 is provided below:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Years to Expiry</b>
<b>At January 1, 2018</b>	6,496,984	0.34	0.86
Expired	(4,685,554)	0.30	
Issued	5,219,948	0.27	
<b>At December 31, 2018</b>	7,031,378	0.31	.36
Expired	(337,500)	0.42	
Issued	712,000	0.20	.91
<b>At March 31, 2019</b>	7,405,878	0.31	.19

**Share-based compensation plan**

The Company has an incentive share-based compensation plan (the "Plan") which permits the Board of Directors to grant stock option to directors, officers, employees and consultants. The total number of options issued at any time cannot exceed 10% of the issued and outstanding common shares of the Company unless shareholder and regulatory approval are obtained. Options granted under the Plan have a maximum five-year term. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the TSX.V at the time of the grant.

**ZEPHYR MINERALS LTD.****(An Exploration Stage Company)****Notes to the Unaudited Condensed Consolidated Interim Financial Statements****(Expressed in Canadian dollars)****Three Months ended March 31, 2019 and 2018**

On February 27, 2019 the Company granted stock options to a consultant to purchase 250,000 common shares of Zephyr. The exercise price of the stock options is \$0.20 per share. The options vest upon grant and will expire 5 years from date of grant.

On March 4, 2019 the Company granted stock options to a geological consultant to purchase 200,000 common shares of Zephyr. The exercise price of the stock options is \$0.22 per share. The options vest upon grant and will expire 3 years from date of grant.

In determining the share-based payments expense, in fiscal 2019, the fair value of the options issued were estimated using a Black-Scholes option pricing model with the following range of assumptions:

Risk-free interest rate	1.75 -2.25%
Expected dividend yield	0.00%
Expected stock price volatility	83.8 – 92.7%
Expected life of options	3 - 5 years

A summary of the change in stock options for the periods ended March 31, 2019 and December 31, 2018 is provided below:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Years to Expiry</b>
<b>At January 1, 2018</b>	3,525,000	0.16	2.8
Issued	25,000	0.30	
Expired	(375,000)	0.25	
<b>At December 31, 2018</b>	3,175,000	0.17	2.0
Issued	450,000	0.21	
Expired	(200,000)	0.18	
<b>At March 31, 2019</b>	3,425,000	0.17	2.2

(Note: Of the options issued 3,125,000 are exercisable as of March 31, 2019)

## ZEPHYR MINERALS LTD.

### (An Exploration Stage Company)

#### Notes to the Unaudited Condensed Consolidated Interim Financial Statements

#### (Expressed in Canadian dollars)

#### Three Months ended March 31, 2019 and 2018

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## 7. RELATED PARTY TRANSACTIONS

Rent expense of \$1,500 (2018 - \$1,500) during the quarter was paid to an officer of the Company.

Transactions were in the normal course of operations and were measured at the exchange amounts, which are the amounts agreed to by the related parties. Included in accounts payable and accrued liabilities at March 31, 2019 is \$10,276 due to parties related to officers and directors.

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2019 and 2018 were as follows:

	2019		2018	
Salaries and consulting fees	\$	36,310	\$	40,250
Share-based payments		-		-
	\$	36,310	\$	40,250

- (i) Share-based payments are the fair value of options granted to key personnel and directors.

## 8. FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents as fair value through income or loss; accounts receivable are classified as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities.

### *Management of capital risk*

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company considers capital to be cash and cash equivalents. 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. Additional funds will be required to finance the Company's Exploration and Evaluation Assets. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

### *Fair value*

The book value of cash and cash equivalents and accounts payable and accrued liabilities all approximate their fair values at the balance sheet dates, due to the relative short-term maturity of the instruments.

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**Three Months ended March 31, 2019 and 2018**

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*Credit risk*

The Company is exposed to credit risk with respect to its cash and accounts receivable. The credit risk associated with cash is minimal as cash has been placed with a major Canadian financial institution with strong investment-grade ratings by a primary ratings agency. The Company is not exposed to significant credit risk with respect to accounts receivable, as the entire amount due is from a government agency.

*Liquidity risk*

The Company's approach to managing liquidity risk is to arrange equity financings in a timely manner so as to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company had a cash balance of \$155,262 to settle current liabilities of \$89,019. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in the Company's liquidity or capital resources either materially increasing or decreasing at present or in the foreseeable future.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate, foreign currency risk and other price risk.

- (a) Interest rate risk  
The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.
- (b) Foreign currency rate risk  
Although the Company's principal exploration asset is based in the United States of America, the low annual maintenance costs have led the Company to conclude that it does not believe it is exposed to any significant foreign currency risk at the present time.
- (c) Other price risk  
Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

Financial instruments disclosure requires a statement of the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of fair value are:

**ZEPHYR MINERALS LTD.****(An Exploration Stage Company)****Notes to the Unaudited Condensed Consolidated Interim Financial Statements****(Expressed in Canadian dollars)****Three Months ended March 31, 2019 and 2018**

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- Level 1 Unadjusted quoted prices in active markets for identical assets and 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 has valued all of its financial instruments at Level 2.

**9. SEGMENTED INFORMATION**

The Company's operating segments include an exploration and evaluation property in Colorado, USA and a corporate office in Halifax, Nova Scotia, Canada.

**As at March 31, 2019:**

<b>Country</b>	<b>Cash and cash equivalents</b>	<b>Mineral Properties</b>	<b>Receivables and prepaid</b>	<b>Payables</b>	<b>Income (Loss)</b>
Canada	\$ 137,166	\$ -	\$ 59,688	\$ 58,023	\$ (139,819)
USA	18,096	3,914,435	125,729	30,996	(253)
	<u>\$ 155,262</u>	<u>\$ 3,914,435</u>	<u>\$ 185,417</u>	<u>\$89,019</u>	<u>\$ (140,072)</u>

**As at December 31, 2018:**

<b>Country</b>	<b>Cash and cash equivalents</b>	<b>Mineral Properties</b>	<b>Receivables and prepaid</b>	<b>Payables</b>	<b>Year Ended Loss</b>
Canada	\$ 88,103	\$ -	\$ 20,982	\$ 57,670	\$ (400,920)
USA	13,188	3,880,865	125,729	32,945	(3,411)
	<u>\$ 101,291</u>	<u>\$ 3,880,865</u>	<u>\$ 146,711</u>	<u>\$ 90,615</u>	<u>\$ (404,331)</u>