



ZEPHYR MINERALS LTD.

MANAGEMENT'S DISCUSSION & ANALYSIS **FOR THE PERIOD ENDED SEPTEMBER 30, 2025**

Background

This Management Discussion and Analysis ("MD&A") of Zephyr Minerals Ltd. ("Zephyr" or the "Company"), is dated November 26, 2025 and provides an analysis of the unaudited financial operating results for the period ended September 30, 2025. This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for years ended December 31, 2024 and December 31, 2023 which have been prepared in accordance with IFRS Accounting Standards for financial statements. All amounts are in Canadian dollars unless otherwise specified. The financial statements and additional information, including news releases and technical reports referenced herein, are available on the SEDAR+ at www.sedarplus.ca under the Company's name.

The common shares of Zephyr are traded on the TSX Venture Exchange ("TSXV") under the symbol **ZFR** and on the OTC under the symbol **ZPHYF**. Additional information can be found on the Company's website at www.zephyrminerals.com.

Forward-Looking Information

Certain statements in this MD&A are forward-looking statements or information (collectively "forward-looking statements"). The Company is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "will", "should", "could", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "projects", "predicts", "targets", "potential", "continue", "could", "vision", "goals", "objective" and "outlook"), including statements concerning the Company's application for a mining permit and future work programs on the Company's mineral properties, are not historical facts, may be forward-looking, and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Company to obtain necessary financing; anticipated costs; the exploration potential of its Dawson property; success in obtaining a mining permit for the Dawson property; management's view that the Dawson property has benign environmental characteristics; the certainty that potential property acquisitions and joint venture negotiations will ultimately be successfully concluded; management's view that the Archean greenstone belts in Zimbabwe as being underexplored and having the potential to host gold deposits similar in style and size to those in the Canadian Archean greenstone belts in Ontario and Quebec; the successful applications for two Exclusive Prospecting Orders in Zimbabwe; the results of a preliminary economic assessment and compliance with state permitting requirements. Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Risk factors emerge from time to time, that could cause actual results to differ materially from those contained in forward-looking statements, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, those discussed in the "Other Risks and Uncertainties" section of this MD&A below and in the Company's continuous disclosure materials filed from time to time on SEDAR+ and general conditions in the economy and capital markets.

Company Overview

Zephyr is a gold exploration and development company with activities in the USA and Zimbabwe. Through its wholly owned subsidiary, Zephyr Gold USA Ltd. ("Zephyr USA"), the Company holds a 100% interest in mineral claims in Colorado, referred to as the Dawson Property (the "Dawson" or the "Property"). Dawson comprises an advanced gold

project hosting a National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) compliant inferred gold resource with exploration potential over a 3.8 km strike length.

In 2021 the Company launched a wholly owned subsidiary, Sutter Mining (Private) Limited (“Sutter”), in Zimbabwe, which is scouting out prospective mineral properties in that country. This move by Zephyr into Zimbabwe was prompted by an amendment to the country’s Indigenization and Economic Empowerment Act allowing 100% foreign ownership in mining properties, combined with the presence of geological environments prospective for gold.

Financing

On July 14, 2025, the Company completed a private placement through the issuance of 6,500,000 units at a price of \$0.04 per unit raising \$260,000. Each unit consists of one common share and one whole common share purchase warrant of the Company. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.08 per share for a period of thirty-six months from the closing date. The Company paid cash finder’s fees of \$1,750 and issued 43,750 finder’s fee warrants to qualified 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 \$0.08 for 36 months from the closing date.

On May 31, 2024, the Company completed a private placement through the issuance of 4,000,000 units at a price of \$0.05 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.08 per common share at any time for a period of 36 months. The Company paid cash finder’s fees of \$6,563 and issued 131,250 finder’s fee warrants to qualified 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 \$0.08 for 36 months from the closing date.

Project Updates

United States

Dawson

The Company’s focus on its Dawson gold property continues to be on activities to generate the necessary data to support the completion of a mining permit application for submission to the State of Colorado. On June 30, 2021, the Company filed an application for a mining permit with the Colorado Division of Reclamation, Mine and Safety (“DRMS”). On October 14, 2021, Zephyr received a response from DRMS outlining a list of issues pertaining to the application for which it required more information and clarifications. Zephyr provided DRMS with responses to these issues on February 9, 2022 to which DRMS further responded on March 23, 2022 outlining issues to be further addressed and clarified. The principal issues pertain to water monitoring wells and related sampling methodology, mine pool water, reagent storage, Grape Creek potential impacts, environmental protection facilities and technical matters pertaining to certain design details. Zephyr is required to drill five groundwater monitoring wells over and above those previously drilled as well as one compliance well. DRMS requires that the additional wells have five quarters of monitoring and sampling data before they can consider approving the mining permit application. As such, the Company withdrew the mining permit application to allow for the required time to drill and monitor the wells for the required five quarters. Due to financial constraints the required drill program was not completed at that time.

This program was scheduled to be undertaken in 2024; however, due to a drought in the Canon City area during the summer and fall of that year, the Company was unable to engage a drilling contractor. Those contractors within a reasonable distance from the project were all fully utilized by ranchers coping with water shortages, while contractors located outside the Canon City area were too costly and not within the program budget.

The Company experienced a further delay in commencing the water well drilling program due to a recently amended protocol by the DRMS which required the Company to obtain a Notice of Intent (“NOI”) permit prior to commencing drilling. The Company posted the required additional reclamation bonding for the wells and received the NOI permit. Contractors to undertake both the road and site preparation, and the well drilling were engaged in late Q3-2025, and the well drilling program was completed at end October, 2025 (see News Release, 4 November, 2025).

The Company is presently evaluating tenders to undertake the 15-month water monitoring program and it is expected this phase of the program will commence in December, 2025. The Company will be required to raise additional capital in 2026 to complete the program, and there is no guarantee the Company will be successful in this regard.

Subject to additional funding in 2026, it is anticipated that the water monitoring program will be completed in late 2026, which would be followed by the re-submission of the mining application in January, 2027. Upon Zephyr satisfying all of DRMS' technical requirements in the mining application, with the well water program data being the primary requirement, the Company, supported by DRMS will then seek approval for the mining permit from the Mined Land Reclamation Board ("MLRB"). Following approval by the MLRB, a Conditional Use Permit ("CUP") will be sought from Fremont County which is also necessary before any potential mine construction can begin.

Dawson is comprised of 57 contiguous unpatented lode mining claims, eight patented lode mining claims and two patented placer claims covering approximately 505 hectares (1,249 acres). Dawson encompasses five contiguous gold mineralized areas over a strike length of 3.8 km which are, from east to west: Sentinel, Dawson, Copper King, Windy Gulch and the Windy Point zones. The inferred gold resources identified to date at Dawson are confined to the Dawson and Windy Gulch zones with the remaining three zones representing gold prospective areas on the geologically favourable trend. Surface rights total 301 acres and are sufficient for the current mine development plans. The 50% of the eight patented lode mining claims not held by Zephyr is leased by Zephyr through a "Mining Lease and Agreement", and the 50% interest in the placer claim not held by Zephyr is leased through a property lease agreement, which effectively gives Zephyr 100% control of these claims. Twenty-one of the 51 unpatented claims and the eight patented lode mining claims 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. The NI 43-101 compliant resource estimate was completed on the Dawson and Windy Gulch zones at the Dawson section in 2013. The resource estimates were disclosed in the technical reports on Dawson entitled "Resource Estimate Technical Report for the Dawson Property Fremont County, Colorado, USA" with an effective date of July 19, 2013 and "Updated National Instrument 43-101 Technical Report for the Dawson Property, Colorado, USA" with an effective date of August 26, 2015. The Dawson zone resource estimate was utilized in the completion of a Preliminary Economic Assessment in 2017 entitled "National Instrument 43-101 Technical Report for the Dawson Property, Colorado, USA" with an effective date of March 21, 2017. The potential for increasing resources at the Dawson section is considered very good with identified drill targets below the current inferred gold resource at the Dawson zone, at the Sentinel zone to the east and the Windy Gulch and Windy Point zones to the west. If the Company is successful in obtaining the mining permit for Dawson, the next step, subject to funding, is the construction of a ramp to access the Dawson gold deposit and to establish underground drill stations from which to conduct infill drilling on the current inferred gold resource and to test deeper targets for additional gold mineralization. Any underground drill program would also be subject to funding.

Zimbabwe

Exclusive Prospecting Orders

The Company is waiting for two Exclusive Prospecting Orders ("EPO's" or "EPO") to be granted. The first application, Mt. Darwin West, was submitted in June of 2021. The two EPO applications combined cover approximately 124,000 hectares (1,240 km²). Both applications have been forwarded from the Attorney Generals offices to the offices of the Mining Affairs Board ("MAB"). The next step in the process is for the Permanent Secretary who heads up the MAB to approve the applications and present them to the Minister of Mines for signature by the President. Timing of the applications being granted remains unknown at this juncture.

MAP Gold Mine

On February 7, 2023, the Company entered into an option agreement to acquire up to an 80% interest in the MAP Gold Mine property ("MAP Gold Mine") in Mashonaland Central, Zimbabwe from an arm's length citizen of Zimbabwe and his privately owned corporation.

MAP Gold Mine is a small scale combined open cast and shallow underground operation with gold being recovered from three open pits (eluvial gold) and four adits driven on a shear zone. Pit 1 is approximately 60m by 70m and Pit 2 which is similar in size is located approximately 300m south-south-east of Pit 1. A new pit, Pit 3 has recently been started 85m southwest of Pit 1 (between Pits 1 & 2), and was reported by the optionor to contain eluvium grading 3 to 4 g/t gold. A grab sample taken by Zephyr from Pit 3 returned an assay of 4.4 g/t gold. To date almost all mining has been in the eluvium with one shallow dipping (35 to 45 degrees) northeast trending shear zone having been discovered

at Pit 2. The gold mineralized shear zone is being mined by the optionor via shallow adits dug at four locations in highly weathered sheared greenstone along approximately 15m of strike length. Grab sampling by Zephyr of the shear zone stock piles from the four adits returned assays ranging between 1.6 g/t gold and 13.8 g/t gold. Unfortunately, the exposure in the adits is insufficient to discern the total width of the shear zone. Pits 1, 2 and 3 are located across a width of 300m perpendicular to the strike of the gold mineralization in the shear zone in Pit 2. These new discoveries warrant a proposed exploration program including drill testing for a potential large tonnage deposit comprising possible multiple gold mineralized shear zones.

MAP Gold Mine is a new gold discovery found in 2020 when farm workers working their fields noticed quartz fragments in the soil (eluvium) which they then panned and found to be gold bearing. Since that time the size of the deposit being worked has continued to expand with eluvial pits now found over an area of approximately 70m by 300m. Exploration potential remains open in all directions. The area of the workings is approximately 3.5% of the largely eluvium covered claims which total approximately 65 hectares.

Under the terms of the agreement, Zephyr can acquire 75% of MAP Gold Mine by paying US\$165,000 over two years as well as certain monetary payments based on the quantity of gold discovered. In addition, in the event a mine is built, Zephyr will pay the optionor US\$250,000 upon declaration of commercial production. At Zephyr's discretion, it has the right to buy 20% of the optionor's 25% interest, hereby increasing Zephyr's interest in the property to 80%. The optionor is permitted to continue small scale mining within prescribed parameters from areas currently being mined until Zephyr makes a decision to transfer the claims into a new operating company, owned as to Zephyr 75% (with option to go to 80%) and the optionor 25% (potentially decreased to 20%). Certain conditions need to be met before exploration can begin including acquiring four additional claims which are included in the agreement. These conditions remain outstanding, and as a result no exploration work has been conducted on this property. Efforts continue to resolve this final issue prior to commencing exploration on the property.

Mineral Exploration Property Expenditures

The Company's Exploration and evaluation property expenditures for the periods ended September 30, 2025 and December 31, 2024 are summarized below:

	Dawson	MAP Gold	Total
	\$	\$	\$
January 1, 2024	5,026,276	14,042	5,040,318
Acquisition costs & claims fees	15,681	-	15,681
Advanced royalty payment	35,600	-	35,600
Assays & analysis	1,665	-	1,665
Camp costs / field operations	8,350	-	8,350
Permitting	17,113	-	17,113
	<u>78,409</u>	<u>-</u>	<u>78,409</u>
December 31, 2024	5,104,685	14,042	5,118,727
Acquisition costs & claims fees	15,735	-	15,735
Camp costs / field operations	4,408	-	4,408
Permitting	149,125	-	149,125
Impairment	(21,397)	-	(21,397)
Disposition	(15,745)	-	(15,745)
Reclamation provision	36,432	-	36,432
	<u>168,558</u>	<u>-</u>	<u>168,558</u>
September 30, 2025	5,273,243	14,042	5,287,285

Outlook

United States

Dawson

Management continues to hold the view that the Dawson section has the potential for an economic, near-term, low capex, low opex, high grade underground gold mine. Subject to receiving a mining permit and funding, the Company intends to construct a ramp to access the Dawson gold deposit and conduct underground infill drilling to raise the confidence level of the inferred gold resource and deep drilling with the objective of growing resources. In order to undertake this program, the Company is required to first obtain the mining permit amongst other regulatory approvals. The deficiencies to the original application for the mining permit remain outstanding at this juncture. The principal deficiency is the requirement to drill an additional five water monitoring wells and one compliance well, and the associated quarterly data collection from these over a 15-month period.

The Company posted additional reclamation bonding for the wells and has received the NOI permit to undertake the drilling program. Contractors for both road and site preparation, as well as well drilling, were engaged in September 2025, and this phase of the program was completed by the end of October 2025. Although the Company closed \$260,000 private placement in July 2025, to undertake the well drilling and related drill site preparation work, there is no guarantee the Company will be successful in raising the additional capital necessary in 2026 to complete 15 months of monitoring and well water sampling.

The Company is currently evaluating tenders for the water monitoring program, and it is anticipated this phase of the program will commence in December 2025 and, subject to funding, be completed in December 2026. This will position Zephyr to re-submit the mining permit application in January 2027.

While there is no certainty Zephyr will receive a mining permit to develop the Dawson gold deposit, based on the benign environmental characteristics of the project the Company remains optimistic of ultimate success in this regard.

Zimbabwe

EPO's

Two applications for EPO's that were lodged with the Ministry of Mines and Mining Development (MMMD) have been processed by that agency following an interview held on June 28, 2022 with the Mining Affairs Board ("MAB"). The applications have successfully proceeded through the next step which was approval by the Attorney Generals ("AG") office and are now with the MAB. The Permanent Secretary, who heads up the MAB, will review the applications, subsequent to which, he will deliver to the Minister of Mines for presentation and recommendation for signature by the President of Zimbabwe. The Company does not at this time know when the EPO's will be granted. The two EPO applications combined cover approximately 124,000 hectares (approximately 1,240 km²). When granted, Zephyr will control an exclusive right to prospect for gold, base metals and lithium on a prospective land position.

Qualified Person

Brian Arkell, B.S. Geology and M.S. Economic Geology, SME (Registered Member), AusIMM (Fellow) and SEG (Fellow), a Director of the Company, and a Qualified Person as the term is defined under National Instrument 43-101, has reviewed and approved the scientific and technical disclosure contained in this MD&A.

Selected Financial Information

Zephyr's consolidated net loss for the period ended September 30, 2025 was \$221,684 (\$0.003 per share) compared to a net loss of \$175,288 (\$0.002 per share) for the year ended December 31, 2024 and a net loss of \$2,080,270 (\$0.029 per share) for the year ended December 31, 2023.

The following table contains selected financial data are derived from the Company's unaudited condensed consolidated financial statements for the nine month period ended September 30, 2025 and the years ended December 31, 2024 and December 31, 2023.

	Nine months ended September 30, 2025	Year ended December 31, 2024	Year ended December 31, 2023
Revenue	\$ -	\$ -	\$ -
Net loss	221,684	175,288	2,080,270
Net loss per share – basic and diluted	0.003	0.002	0.029
Total assets	5,514,016	5,335,942	5,276,725
Working capital	1,381	41,174	73,264
Total non-current financial liabilities	164,503	131,276	99,121

Results of Operations – Three Month Period Ended September 30, 2025

The expenses incurred during the three month periods ended September 30, 2025 and 2024 are detailed in the following table:

	3 months ended September 30, 2025	3 months ended September 30, 2024
Exploration and evaluation assets impairment	\$ 21,397	\$ -
Filing fees	712	350
Foreign exchange loss	914	409
Investor relations	124	9,125
Professional fees	10,242	4,354
General and administrative	3,359	(176)
Rent	3,255	3,573
Transfer agent	2,271	2,031
Wages and consulting fees	6,000	-
Net loss for the period	\$ 48,274	\$ 19,666

The Company continues its efforts to reduce costs. The loss for the three month period ended September 30, 2025, was \$48,274, compared with a loss of \$19,666 for the same period for 2024. During the quarter, the Company sold a patented lode claim to a third party for gross proceeds of \$15,745 (US\$11,500). The Company recognized an impairment of \$21,397 on exploration and evaluation assets related to the disposition.

Investor relations expenses decreased to \$124 in the quarter from \$9,125 in the same quarter of 2024 as result of the Company terminating an investor relations service agreement.

Professional fees were \$10,242 for the third quarter, compared with \$4,354 in 2024. The increase is attributed to higher audit accruals.

Wages and consulting fees were \$6,000 for the quarter, compared with nil in the same quarter in 2024, when management fees were temporarily suspended.

Results of Operations – Nine Month Period Ended September 30, 2025

The expenses incurred during the nine month periods ended September 30, 2025 and 2024 are detailed in the following table:

	9 months ended September 30, 2025	9 months ended September 30, 2024
Exploration and evaluation assets impairment	\$ 21,397	\$ -
Exploration expenses	-	1,994
Filing fees	14,387	14,497
Foreign exchange loss	3,190	62
Investor relations	6,480	27,389
Professional fees	26,279	22,181
General and administrative	12,381	6,139
Rent	9,765	8,591
Travel	1,466	8,862
Transfer agent	12,339	13,403
Wages and consulting fees	18,000	28,835
Share based payments	96,000	-
Net loss for the period	221,684	131,953

As the Company continues its efforts to keep costs down, the loss for the nine month period ended September 30, 2025, was \$221,684, compared with a loss of \$131,953 for the same period in 2024. The increase in loss is attributed to a non-cash, share based payments expense of \$96,000 in 2025, compared to nil in 2024.

Exploration expenses decreased to \$nil and travel expenses decreased to \$1,466 in 2025, from \$1,994 and \$8,862, respectively, in 2024 as a result of no field visits undertaken in Zimbabwe.

Investor relations expenses decreased from \$27,389 in 2024 to \$6,480 in 2025 due to the Company terminating an investor relations services contract in the first quarter.

General and administrative expenses increased to \$12,381 in 2025 from \$6,139 in 2024, primarily due to the recognition of prepaid insurance expenses in 2025, which were not recognized in the prior year.

Wages and consulting fees decreased from \$28,835 in 2024 to \$18,000 in 2025, reflecting management's reduction in fees.

The Company's working capital position as of September 30, 2025, was \$1,381, compared with working capital of \$127,993 as of September 30, 2024. On July 14, 2025, the Company completed a private placement for gross proceeds of \$260,000. The change in working capital is attributed to the capital raise, continued investment in the Dawson property, and the net loss incurred.

Summary of Quarterly Results

The following table contains selected financial information for the Company for the past eight quarterly periods.

Quarter Ended	Revenue	Net Loss	Loss Per Share	Total Assets	Shareholder Equity
	\$	\$	\$	\$	\$
September 30, 2025	-	48,274	(0.001)	5,514,016	5,263,062
June 30, 2025	-	173,409	(0.002)	5,297,567	5,056,887
March 31, 2025	-	35,552	(0.000)	5,295,995	5,098,361
December 31, 2024	-	43,335	(0.000)	5,335,942	5,134,296
September 30, 2024	-	19,666	(0.000)	5,364,120	5,171,231
June 30, 2024	-	43,403	(0.001)	5,379,297	5,190,897
March 31, 2024	-	68,884	(0.001)	5,238,238	5,044,698
December 31, 2023	-	180,748	(0.002)	5,276,725	5,113,582

The increase in loss in Q2 2025 is attributed to a share-based payments expense of \$96,000. The increase in loss in Q4 2023 is due to a loss on disposition of exploration and evaluation assets in the amount of \$89,728.

Statement of Compliance

The unaudited condensed consolidated financial statements, to which this MD&A relates, have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB").

The significant accounting policies applied in the unaudited condensed consolidated financial statements are presented in note 3 of the audited financial statements for the year ended December 31, 2024 and are based on IFRS Accounting Standards effective December 31, 2024.

Approval of the Financial Statements

The condensed consolidated financial statements were approved and authorized for issue by the Audit Committee and Board of Directors of the Company on November 26, 2025.

Basis of Presentation

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgments made by management in the application of IFRS Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Note 3(i) to the financial statements.

Going Concern

The Company holds a 100% interest in mineral claims in Colorado, USA, collectively referred to as the Dawson property (the "Property"). The Company has also applied for two Exclusive Prospecting Orders covering 124,000 hectares. The Company's objective is to explore and evaluate mineral claims to determine whether the properties contain economic resources warranting a development program.

As at September 30, 2025, the Company has cash of \$79,899, working capital of \$1,381, shareholders' equity of \$5,056,887 and an accumulated deficit of \$8,451,218. The Company's financial statements as at September 30, 2025 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.

The Company incurred a loss of \$221,684 for the 9 month period ended September 30, 2025, and has no operations at this time which will generate revenue. The Company does not have sufficient working capital to fund all of the company's planned expenditures. In order to alleviate the situation, the Company intends to raise additional capital and on July 14, 2025, completed a private placement through the issuance of 6,500,000 units at a price of \$0.04 per unit raising \$260,000. (See Subsequent Events). 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. 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 material uncertainties may cast significant doubt on the company's ability to continue as a going concern.

Cash Requirements

As at September 30, 2025, the Company has cash of \$79,899, working capital of \$1,381 and shareholders' equity of \$5,263,062.

The Company's principal requirements for cash in 2025 will relate to expenditures, noted in more detail below, that are required to advance the Dawson property, plus administrative expenditures and settling accounts payable. In addition to general and administrative costs, the Company expects to spend approximately \$300,000 before the end of 2026 to conduct further exploration and development activities primarily addressing outstanding matters with respect to its application for a gold mining permit for the Dawson property.

Contractual and Other Obligations

Dawson

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 2025 obligation in fiscal 2024. To date Zephyr USA has made advance royalty payments totalling US\$604,000 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. Zephyr USA is also required to make annual payments of US\$200 for each of the unpatented claims that form part of Dawson in order to keep them in good standing and pays approximately US\$3,600 in property taxes for its patented mining claims.

Outstanding Share Data

	November 26, 2025	September 30, 2025	September 30, 2024
Common Shares Outstanding	86,911,985	85,586,985	79,086,985
Fully Diluted Common Shares Outstanding	104,086,985	104,086,985	92,907,935

As at September 30, 2025 the Company had a total of 85,586,985 Common Shares outstanding, and there were a total of 7,825,000 incentive stock options outstanding exercisable for 7,825,000 Common Shares. In addition, there were a total of 10,500,000 warrants exercisable for 10,500,000 Common Shares and 175,000 finder's fee warrants exercisable for 175,000 Common Shares.

As of November 26, 2025, the Company had a total of 86,911,985 Common shares outstanding, and there were 7,825,000 incentive stock options outstanding exercisable for 7,825,000 Common Shares. In addition, there were a total of 9,175,000 warrants exercisable for 9,175,000 Common Shares and 175,000 finder's fee warrants exercisable for 175,000 Common Shares.

See "Financing" and "Subsequent Events" in this MD&A for information on issuances of Common Shares by the Company.

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. In the nine month period ended September 30, 2025 the Company recognized a foreign exchange loss on cash holdings in the amount of \$3,190.

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.

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. There is no guarantee that the Company will be able to arrange future financing or that the terms of any such financing will be advantageous. As at September 30, 2025, the Company had a cash balance of \$79,899 to settle current liabilities of \$86,452. All of the Company's financial liabilities, other than the interest free promissory note due in December 2026, 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 risk, foreign currency risk and other price risk.

1. 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.

2. Foreign currency rate risk

The Company's principal exploration asset is based in the United States of America. Transactions in both countries are predominantly in US\$. However, as the foreign currency expenditures to date have been minimal, the Company has concluded that it is not exposed to any significant foreign currency risk at the present time.

3. Other price risk

Other price risk is the risk that the fair value 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:

- | | |
|---------|--|
| 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.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Board of Directors and corporate officers. Included in accounts payable and accrued liabilities is \$25,605 (2024 - \$24,202) due to parties related to officers and directors.

The remuneration of directors and other members of key management personnel during the periods ended September 30, 2025 and 2024 were as follows:

	2025	2024
Salaries and consulting fees	\$ 18,000	\$ 25,605
Share-based payments	96,000	-
	\$ 114,000	\$ 25,605

On June 18, 2025 a director provided the Company with a non-interest bearing, unsecured loan of \$50,000. The loan is payable on demand. On July 29, 2025 the loan was repaid in full.

In 2024 the Chief Financial Officer ("CFO") agreed to a long-term deferral of fees in the amount of \$25,605 by way of a promissory note. The promissory note is non-interest bearing and unsecured with a repayment date of December 31, 2026, or such other date as agreed to by the CFO and the Company.

Subsequent Events

On November 12, 2025, 1,325,000 warrants were exercised, generating gross proceeds to the Company of \$106,000.

Off Balance Sheet Arrangements

During the period the Company did not enter into any off balance sheet transactions or commitments as defined by National Instrument 51-102 – Continuous Disclosure Obligations.

Critical Accounting Estimates

Significant accounting policies used by the Company are disclosed in Note 3 of the consolidated financial statements for the year ended December 31, 2024. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of accrued liabilities, the variables used in the determination of the fair value of stock options granted and warrants issued, and the determination of the valuation allowance for future tax assets. While management believes the estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

New Accounting Policies Adopted

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18"), which will replace IAS 1 and includes requirements for all entities applying IFRS Accounting Standards for the presentation and disclosure of information in the financial statements. IFRS 18 will introduce new totals, subtotals and categories for income and expenses in the statement of income and comprehensive income, as well as requiring disclosure about

management defined performance measures and additional requirements regarding the aggregation and disaggregation of certain information. It will be effective on January 1, 2027, with earlier adoption permitted and it must be adopted on a retrospective basis.

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures relating to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets. The amendments will be effective on January 1, 2026, and are not expected to have a material impact on the Company's consolidated financial statements.

Other Risks and Uncertainties

Zephyr is in the business of exploring for minerals. This sector is by its nature, cyclical, competitive and risky. Many of these risks are beyond the Company's control. An investment in our securities should be considered highly speculative and involves a high degree of financial risk due to the nature of our activities and the current status of our operations. A prospective investor should carefully consider the risks summarized below and all other information contained in this MD&A and other documentation filed in the Company's name on SEDAR+ (www.sedarplus.ca), before making an investment decision relating to our securities. The risks below do not necessarily comprise all of those faced by the Company.

Mineral Exploration, Development and Operating Risks

The business of mineral exploration and development is highly speculative in nature, generally involves a high degree of risk and is frequently non-productive. The Dawson property is in the exploration and development stage, and there is no assurance that exploration efforts will be successful or that expenditures to be made by the Company will result in discoveries of commercial quantities of minerals or profitable commercial mining operations. Resource acquisition, exploration, development, and operation involves significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Significant expenses are required to locate and establish economically viable mineral deposits, to acquire equipment, and to fund construction, exploration and related operations, and few mining properties that are explored are ultimately developed into producing mines. Success in establishing an economically viable project is the result of a number of factors, including the quantity and quality of minerals discovered, proximity to infrastructure, metal and mineral prices, which are highly cyclical, costs and efficiencies of the recovery methods that can be employed, the quality of management, available technical expertise, taxes, royalties, environmental matters, government regulation (including land tenure, land use and import/export regulations) and other factors. Even in the event that mineralization is discovered on a given property, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change as a result of such factors. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on its invested capital, and no assurance can be given that any exploration program of the Company will result in the establishment or expansion of resources or reserves. The Company's operations are subject to all the hazards and risks normally encountered in the exploration and development of mineral resource properties, including hazards relating to the discharge of pollutants or hazardous chemicals, unusual or unexpected adverse geological or geotechnical formations, unusual or unexpected adverse operating conditions, seismic activity, fire, explosions and natural phenomena and 'acts of God' such as inclement weather conditions, floods, earthquakes or other conditions, any of which could result in damage to, or destruction of, mineral properties, personal injury or death, damage to property, environmental damage, unexpected delays, monetary payments and possible legal liability, which could have a material adverse impact upon the Company. In addition, any future mining operations will be subject to the risks inherent in mining, including adverse fluctuations in fuel prices, commodity prices, exchange rates and metal prices, increases in the costs of constructing and operating mining and processing facilities, availability of energy and water supplies, access and transportation costs, delays and repair costs resulting from equipment failure, changes in the regulatory environment, and industrial accidents and labour actions or unrest. The occurrence of any of these risks could materially and adversely affect the development of a project or the operations of a facility, which could have a material adverse impact upon the Company.

Titles to Property

The acquisition of title to mineral properties is a detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although we believe that we have taken reasonable measures to ensure proper title to our interests in our properties, including Dawson, there is no guarantee that title to any such properties will not be challenged or impaired. Third parties may have valid claims underlying portions of our interests, including prior unregistered liens, agreements, transfers or claims, including aboriginal land claims, and title may be affected by, among other things, undetected defects. In addition, we may be unable to operate on such properties as permitted or to enforce our rights with respect to such properties. Rights to surface access and use held by others may impact the ability of Zephyr to develop the mine in an optimal manner.

Permits and Licenses

The Company is required to obtain and renew licenses and permits from various government authorities in the USA and Zimbabwe, for existing operations and any ultimate development, construction and commencement of mining operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control. There can be no assurance that the Company will be able to maintain existing licenses and permits or obtain all necessary licenses and permits, that may be required to carry out exploration, development, and mining operations at its projects. Further, the cost to obtain or renew permits may exceed what the Company believes it can recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

Infrastructure

Mineral resource development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could have a material adverse impact on the Company and its operations.

Opposition to Mining

In recent years, governmental and non-governmental agencies, individuals, communities and courts have become more vocal and active with respect to their opposition of certain mining and business activities. This opposition may take on forms such as road blockades, applications for injunctions seeking work stoppages, refusals to grant access to lands or to sell lands on commercially viable terms, lawsuits for damages, issuances of unfavourable laws and regulations, and rulings contrary to an entity's interest. These actions can occur in response to current activities or in respect of mines that are decades old. Any opposition to the Company's business activities may cause a disruption to such activities and may result in increased costs and could have a material adverse effect on Zephyr's business and financial condition.

Foreign Operations

The Dawson property, is located in Colorado, USA. While we believe that the USA represents a favourable environment for mining companies to operate, there can be no assurance that changes in the laws of the USA or changes in the regulatory environment for mining companies or for non-domiciled companies in the USA will not be made that would adversely affect the Company.

With respect to its Zimbabwean efforts, although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could negatively affect the Company. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company.

Enforceability of Judgments

It may be difficult or impossible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of the securities laws of the various Canadian provinces against the Company's assets located in the USA and Zimbabwe.

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. At any time, the Company is subject to the threat of litigation and may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it could have a material adverse effect on the Company and its financial position, operations or development.

Competition

The Company will compete with many exploration companies that may have substantially greater financial and technical resources than the Company, as well as, for the recruitment and retention of qualified personnel.

Reliance on Key Individuals

The Company's success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in its growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other mineral resource exploration companies which may give rise to conflicts of interest. In accordance with applicable Canadian corporate law, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. Certain of the directors and officers of the Company have either other full-time employment or other business or time restrictions placed on them and, accordingly, the Company will not be the only business enterprise of these directors and officers.

Influence of Significant Shareholders

The Company has one significant shareholder of which the Company is aware, which controls approximately 12.1%, of the outstanding Common Shares (the "**Significant Shareholder**"). The Significant Shareholder could have significant influence in determining the outcome of any corporate transaction or other matter submitted to shareholders for approval, including mergers, consolidations and the sale of all or substantially all of our assets and other significant corporate actions. The concentration of ownership of the Common Shares by the Significant Shareholder may: (i) delay or deter a change of control of the Corporation; (ii) deprive shareholders of an opportunity to receive a premium for their common shares as part of a sale of the Corporation; and (iii) affect the market price and liquidity of our Common Shares. Additionally, the Significant Shareholder will have significant influence in determining the members of the Board. Without the consent of the Significant Shareholder, we could be prevented from entering into transactions that are otherwise beneficial to us. The interests of the Significant Shareholder may differ from or be adverse to the interests of our other shareholders. The effect of the Significant Shareholder's rights and influence may impact the price that investors are willing to pay for our securities. If the Significant Shareholder sells a substantial number of our Common Shares in the public market, the market price of our Common Shares could fall. The perception among the public that these sales will occur could also contribute to a decline in the market price of the Common Shares.

Limited Market for Securities

The common shares are currently listed on the TSX-V, however there can be no assurance that an active and liquid market for the common shares will be maintained and an investor may find it difficult to resell securities of the Company.

Trading Price and Volatility of the Common Shares

The market price of the common shares experiences fluctuations which may not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of the Company. It may be anticipated that any market for the common shares will be subject to market trends generally, and the value of the common shares on the TSX-V or such other stock exchange as the common shares may be listed from time to time, may be negatively affected by such volatility.

Commodity Prices

Factors beyond the control of the Company may affect the marketability and price of minerals discovered, if any. Commodity and metal prices have fluctuated widely in recent years and months and are affected by numerous factors beyond the control of the Company, including international, economic and political trends, market intervention by state actors, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted. Periods of depressed metal prices may negatively affect the ability of the Company to obtain required financing, and have a material adverse effect on the Company.

Global Financial Volatility

Global financial conditions are volatile from time to time. Global economic volatility may impact domestic markets and the ability of the Company to obtain equity or debt financing to continue its operations and, if obtained, on terms favourable to the Company. Market volatility and turmoil could adversely impact the Company's operations and the value and the trading price of the Company's common shares.

Climate Change

The Company is exposed to risks from climate change including a possible increase in severity of extreme weather events, such as tornados, droughts, floods, and fires. Climate change may also result in longer-term shifts in precipitation and temperature and increased variability in weather. Climate change-related risks may also be associated with the transition to a lower-carbon global economy, which may be reflected in changes to fiscal and environmental policies, legal actions, technology changes, market responses, and reputational considerations. The effect of these environmental and economic, and legal shifts on the Company are difficult to quantify at the present time.

Other Information

The financial statements and additional information regarding the Company are available on SEDAR+ at www.sedarplus.ca.